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## JOINT COMMITTEE ON INSURANCE ANNUAL REPORT

# 1988

Sen. Linda J. Melconian  
Senate Chair

Rep. Francis H. Woodward  
House Chair



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Senator Linda J. Melconian

HOUSE CHAIRMAN

Representative Francis H. Woodward

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William G. Reinstein

Michael P. Walsh

INSURANCE COMMITTEE STAFF

Robert J. Smith, Research Director

John J. Curley, Jr.

Daniel Ballou



## INTRODUCTION

1988 was a productive year for the Joint Committee on Insurance. The committee conducted hearings on 272 bills, of which 10 were signed into law.

The dominant issue in 1988 was automobile insurance. The Legislature reacted to the recent rate hikes in auto insurance premiums, including a retroactive increase for 1987 by enacting comprehensive auto insurance reform law. The new law provided consumers with an average reduction of 8.2% on their auto insurance premiums for 1989. The legislation updated the no-fault auto system by increasing the tort threshold level from \$500 to \$2000, and PIP benefits from \$2000 to \$8000. The legislation seeks to eliminate fraud and abuse through the enactment of a salvage title law and through registering auto body shops. Insurers may develop a plan with the approval of the Insurance Commissioner to make a direct payment to insureds for repair work, and a plan to allow insurers to refer insureds to repair shops which are geographically convenient to the insured and repair the vehicle for the agreed amount. Also, the legislation modifies the Safe Driver Insurance Plan (SDIP) to allow greater credits for good drivers, with higher credits for drivers the longer they have clean driving records. Furthermore, drivers with 3 or more unsafe driver points will be charged higher rates.

Before the passage of Chapter 273, the committee worked hard to stabilize the auto insurance market while several insurance companies announced their plans to withdraw from Massachusetts. When the Kemper Group announced its intention to withdraw from the state's insurance market, the committee worked with Kemper representatives to save the jobs of their employees and to prevent market disruption. The result of the committee's work was Chapter 189. The legislation authorized the Commissioner of Insurance to approve the formation of a mutual insurance company known as the Arbella Mutual Insurance Company. Kemper Group has committed one hundred and nineteen million dollars in guaranty funds to Arbella Mutual. This legislation saved 1,000 jobs and prevented market disruption for more than 200,000 policyholders.

The committee once again was active in its attempt to contain health care costs. One example was Chapter 160 which approved the merger of Blue Cross and Blue Shield. The merger allows the administrative functions between the Corporations to be fully consolidated. The merger will hopefully result in a more efficient organization by eliminating the duplicity of two separate Boards of Directors both overseeing basically the same administrative functions. Another example was Chapter 295 relative to false health care claims. Anyone who knowingly submits a false claim may be prosecuted for a felony imprisoned and fined for not

more than ten thousand dollars or both. Furthermore, any person convicted, in addition to any fines or sentences imposed, may be ordered to make restitution to a health care corporation or health care insurer.

After several years of diligent work the committee's efforts in the area of credit insurance reform were rewarded by the enactment of Chapter 303. The Credit Life Insurance And Credit Accident And Health Insurance Act of 1988 reforms the credit insurance laws and will greatly enhance the rate setting structure by providing lower rates for markets which are experiencing high claims costs or unavailability. The proposal will benefit both consumers and insurers, while maintaining reasonable expense margins for creditors and other marketers of the product.

1988 was a successful year for the committee. The committee's work in the area of auto insurance reform was one of the highlights of the Massachusetts Legislature's 1988 session. The success the committee has enjoyed during the past several years is largely do to the professional work and congenial manner exhibited by Charles T. Alagero. Charles Alagero's tenure as counselor/staff director will be the standard that all other staff successors shall strive to emulate. Charles will be sorely missed by everyone connected with the Insurance Committee and the Legislature. We wish Charles the best of luck in all of his future endeavors.



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1988 LEGISLATIVE HIGHLIGHTS

CHAPTER 273

CHAPTER 21

CHAPTER 189

CHAPTER 303



## CHAPTER 273

### AUTOMOBILE INSURANCE REFORM BILL SECTION-BY-SECTION ANALYSIS

SECTION 1: This is a preamble which expresses the Legislature's intent that the major savings provisions of the bill will save an average of 16.1% off the otherwise determined 1989 auto insurance premiums.

SECTION 2: This creates the Massachusetts Cost Containment Council to develop an annual plan to reduce costs in the auto insurance system, and to stimulate activities, develop proposals and increase inter-agency cooperation for the purpose of implementing the cost reduction plans.

SECTION 3: This sets minimum standards for registration as a licensed motor vehicle damage appraiser.

SECTIONS 4,5,6,7: These are technical sections to implement the salvage title law.

SECTION 8: This increases the minimum fine for a driver refusing to identify him- or herself, or who the owner of the car is, when asked to do so by a traffic officer, from \$25 to \$100.

SECTION 9: This deals with giving insurance brokers, agents and companies access to surcharge-type information on the Registry's computer.

SECTION 10: This directs the Secretary of Public Safety to enter into intersate compacts with other states for mutual reporting of motor vehicle convictions so that the records of Massachusetts drivers' convictions in other states will be available to the Massachusetts Registry of Motor Vehicles and other law enforcement personnel, and to prevent fraud and misuse of drivers licenses.

SECTIONS 11,12: These raise the compulsory bodily liability insurance limits from \$10,000 per person and \$20,000 per accident to \$15,000/\$30,000 (effective in 1991).

SECTIONS 13, 14: These further raise the compulsory BI limits to \$20,000/\$40,000 (effective in 1993).

SECTION 15: This increases the personal injury protection (PIP) no-fault benefit from \$2,000 to \$8,000.

SECTION 16: This makes the PIP benefit above \$2,000 cover medical expenses after any payment of those expenses by health insurance.

SECTION 17: This lets the city or town keep 100% of the fine for driving uninsured, as a bounty for enforcing that law. It also increases the range of fines from \$300/\$500 to \$500/\$5000.

SECTION 18: This changes the rules of evidence in uninsured driver cases to make it easier for the prosecution to prove that the vehicle was uninsured. It also makes a person convicted of driving uninsured liable to Commonwealth Auto Reinsurers (CAR) for at least one year's insurance premium upon conviction. It is a type of restitution.

SECTION 19: This lets the consumer choose whether he or she wants a PIP benefit deductible of \$0, \$100, \$250, \$500, \$1000, \$2000, \$4000 or \$8000.

SECTION 20: This changes the standard deductible for collision coverage to \$500, but the consumer can buy back coverage to get a \$300 deductible. Deductibles below \$300 will no longer be available.

SECTION 21: This makes sure that the cost of buying the \$300 collision deductible will be no more than actuarially justified.

SECTION 22: This allows the insurer to insist on a \$500 deductible for collision coverage if a driver has a previous major at-fault accident.

SECTION 23: This requires auto body shops to meet certain requirements, such as certification and record keeping, in order for them to be paid by an insurer for a repair.

SECTION 24: This requires insurers to offer consumers an optional \$1000 deductible on collision coverage.

SECTION 25: This allows insurers to make a direct payment of 100% of the appraised damage to a consumer on a collision auto damage claim, under a plan which is subject to approval by the Commissioner of Insurance. That plan must give the consumer full disclosure of their rights, provide for a method for resolving disputes as to whether the payment is adequate. This permits the consumer to shop around for the best price on a repair. If the repair is not performed, then the value of the consumer's car is diminished for insurance purposes. It also allows insurers to give a consumer a list of at least 5 repair shops that are geographically convenient and which will perform the repair for the agreed amount. The consumers are not required to use those

shops, but they may do so at their option. There are also protections for the body shops to prevent abuse of such lists.

SECTION 26: This allows inclusion of certain types of motor vehicle coverages in general liability policies, generally for businesses.

SECTIONS 27, 28, 29, 30 & 31: This is a new "salvage title" law, which requires insurance companies which end up owning cars that are a total loss for insurance purposes to turn in the titles on those cars and get a "salvage certificate". The use of salvage certificates is required in variety of circumstances where a car is a total loss, in order to prevent fraudulent reuse of the title. If a total loss salvage car is fully repaired it can obtain a new title only after an inspection to verify that it has been fully repaired. This is to prevent fraud.

SECTION 32: This requires auto damage repair shops to be registered with the Division of Standards, and subjects them to regulation and discipline by the Division. It also imposes detailed record keeping requirements to prevent "chop shop" type operations.

SECTION 33: This requires the Commissioner of Insurance to issue his decision on auto insurance rates by December 15 each year.

SECTION 34: This requires CAR to implement cost control programs, under the direction of the Commissioner of Insurance.

SECTION 35: This provides for more detailed findings in the automobile insurance rate hearing, and specifies certain types of information that the Commissioner of Insurance must allow into evidence at the hearing.

SECTION 36: This gives the Commssioner flexibility to allow rate reductions for auto insurance cost saving provisions. It also gives a rate reduction for cars equipped with both an antitheft device and an auto recovery system.

SECTION 37: This requires the SDIP surcharges to include offenses which are reported for the driver by other states under the interstate compacts entered into under section 6 above.

SECTION 38: This modifies the Safe Driver fInsurance Plan (SDIP) to allow greater credits for good drivers, with higher credits for drivers the longer they have clean records, and to charge actuarially sound surcharges for drivers with 3 or more unsafe driver points. People with five surchargeable SDIP incidents within a three year period will have to attend a driver education course or their licenses will be suspended.

SECTION 39: This allows insurers to offer certain coverages at higher rates in circumstances where they would be allowed not to offer the coverages at all because of a driver's bad driving record.

SECTION 40: This allows insurers to deny comprehensive, fire, theft or collision coverage in certain circumstances, such as for drivers convicted of driving under the influence or for certain high-cost, high-theft vehicles for which the commissioner can require antitheft or auto recovery systems as a condition for such coverage.

SECTION 41: This requires CAR to develop and impose standards for the handling and payment of claims by insurance carriers who service the CAR share of the market.

SECTION 42: This allows CAR to set a separate commercial rate for commercial vehicles reinsured through CAR.

SECTION 43: This requires a "closed claim" study of both bodily injury and property damage claims, to develop basic data on numbers and amounts of claims, what claims payments are for, delays in payment, and various other claims data.

SECTION 44: This requires CAR to specify antifraud efforts for Car insurers and increased requirements for insurers to submit needed data to CAR.

SECTION 45: This is a technical change to require the Commissioner to determine a separate rate for underinsured coverage, which is made optional under section 48.

SECTION 46: This makes underinsured coverage optional, and changes the so-called "trigger" so that underinsured coverage is a floor of coverage, rather than a more expensive add-on coverage. This is how underinsured coverage is defined in virtually all other states.

SECTION 47: This prohibits "stacking" of underinsured coverage limits from two or more policies, and specifies which policy limits apply in various situations.

SECTION 48: This changes the standard deductible for comprehensive coverage to \$500, with an available lower deductible of \$300.

SECTION 49: This makes the charge for the \$300 deductible have to be actuarially based.

SECTION 50: This allows a consumer to elect to have a \$100 deductible on glass claims instead of paying a premium for first dollar coverage.

SECTION 51: This is a direct pay system for comprehensive claims exactly the same as the direct pay system created for collision claims in section 25.

SECTION 52: This requires insurers to report auto thefts to a centralized auto theft reporting organization.

SECTION 53: This creates a new program for preinspection of newly-insured used cars before collision and comprehensive coverages can be obtained, to prevent fraud in insuring nonexistent or already damaged used cars. This also allows insurers, subject to the approval of the Commissioner of Insurance, to develop a participating repair shop plan, like an HMO in the health insurance area, which a consumer could sign up for (as an option) to encourage lower cost insurance by having more managed auto damage repair costs.

SECTION 54: This requires insurance companies and agents to disclose coverage options to consumers in simple language, and requires the Commissioner of Insurance to prescribe the form, content and timing of the disclosures.

SECTION 55: This increases the no-fault "tort threshold" from \$500 to \$2000.

SECTION 56: This enacts a maximum fine for auto insurance fraud of \$15,000 (in addition to possible imprisonment).

SECTION 57: Under this section, a person who is convicted of auto insurance fraud is required to make restitution to persons who suffered financial losses because of their crime.

SECTION 58: This increases the maximum fine for auto theft to \$15,000 and the maximum term of imprisonment to 15 years.

SECTION 59: This requires restitution in cases of conviction for motor vehicle theft.

SECTION 60: This increases the penalties for certain other types of motor vehicle insurance fraud and imposes a restitution requirement.

SECTION 61: This gives half of certain motor vehicle fines to the cities and towns.

SECTION 62: This requires the Registrar of Motor Vehicles to establish a one-year special strike force to crack down on uninsured motorists.

SECTION 63: This allows continued financing of the Secretary of Public Safety's auto etching program (which discourages auto theft).

SECTION 64: This provides for a two year, CAR-funded public education program on auto insurance, to be conducted by the Secretary of Consumer Affairs and Business Regulation.

SECTION 65: This is a study by the Commissioner of Insurance of the possibility of allowing companies to offer an optional bodily injury liability coverage deductible.

SECTION 66: This requires the Commissioner of Insurance, in consultation with various interested groups, to develop a revision of the CAR residual market mechanism, directed at correcting problems with CAR such as its excessive market share.

SECTION 67: This creates a special commission to study and make recommendations on driver education programs in the Commonwealth.

SECTION 68: This requires the Commissioner of Insurance to study and report back to the Legislature on the implementation and impact of the newly created direct pay sections.

SECTION 69: This creates a special commission to make a thorough investigation and recommendations on automobile insurance in Massachusetts, including looking at a variety of topics such as the possibility of competition or flex-rating, the ratemaking system, costs of repairs, and cost containment efforts, with a reporting date of October 15, 1989.

SECTION 70: This requires at least 21 day advance notice to consumers with policies being renewed in early 1989 to let them know that they must act to choose underinsured coverage if they want it, because of its becoming optional for the first time in several years.

SECTION 71: This requires the Commissioner of Insurance to study and issue a revised coverage selections page for use in 1990.

SECTION 72,74: This requires the Commissioner to report to the Legislature, every year after 1990, on the extent to which the tort threshold and PIP benefits have been affected by inflation, and to submit his recommendations for any changes or update of those no-fault provisions.

SECTION 73: This dedicates \$1 million of the fines collected for auto insurance theft and fraud toward funding the Governor's Auto Theft Strike Force.

SECTION 74A: This establishes "closed claim" (section 43) effective dates.

SECTION 75: This makes the \$15,000/\$30,000 compulsory limits increase effective on January 1, 1991.

SECTION 76: This makes the \$20,000/\$40,000 compulsory limits increase effective on January 1, 1993.

SECTION 77: This is the general effective date section. Most sections are effective on January 1, 1989

CHAPTER 21 - AN ACT RELATIVE TO MEDEX INSURANCE.

This legislation allows payment to a non-participating provider when treating a medex patient. No balance billing would take place based upon the assignment law.

CHAPTER 189 - AN ACT ESTABLISHING THE ARBELLA MUTUAL INSURANCE COMPANY.

This legislation authorizes the Commissioner of Insurance to approve the formation of Mutual Insurance Company known as Arbella Mutual Insurance. Kemper Group has committed support services and one hundred and nineteen million dollars in guaranty funds. This new domestic mutual company shall assume Kempers participation of Commonwealth Automobile Reinsurers known as CAR deficit and other obligations for policy year 1988 and thus will not be considered new.

CHAPTER 303 - AN ACT RELATIVE TO THE CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE ACT OF 1988.

This legislation reforms the rate setting structure by providing lower rates for the majority of consumers and providing adequate rates for markets where coverage is presently unavailable or experiencing high claims costs. The legislation benefits both consumers and insurers, while maintaining reasonable expense margins for creditors and other marketers of the product.

LEGISLATION SIGNED INTO LAW IN 1988

CHAPTER 21

CHAPTER 160

CHAPTER 189

CHAPTER 227

CHAPTER 229

CHAPTER 273

CHAPTER 275

CHAPTER 282

CHAPTER 295

CHAPTER 302

CHAPTER 303



## THE COMMONWEALTH OF MASSACHUSETTS

*In the Year One Thousand Nine Hundred and Eighty-eight*

*AN ACT RELATIVE TO MEDEX INSURANCE.*

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

Section 7 of chapter 176B of the General Laws, as appearing in the 1986 Official Edition, is hereby amended by inserting after the first paragraph the following two paragraphs:-

A subscriber who is eligible for benefits supplemental to Part B of Title XVIII of the Social Security Act, as amended, under a nongroup medical service agreement, or a subscription certificate issued thereunder, or under a group medical service agreement shall be entitled to the benefits provided therein, including payments for the services of a participating or nonparticipating physician to be made by a medical service corporation to the subscriber or to the physician as such payments are made for the services under Part B of Title XVIII of the Social Security Act, as amended.

Nothing in this section shall be construed to allow a physician, who receives payment under a supplemental program of coverage to medicare, or other governmental programs, to charge to, or collect from, a subscriber or covered dependent any amount in excess of the maximum allowable compensation determined by the governmental agency administering such program as the basis for the government's payment thereunder to such physician.

House of Representatives, April 4, 1988.

Passed to be enacted,

*George L. Linn*, Speaker.

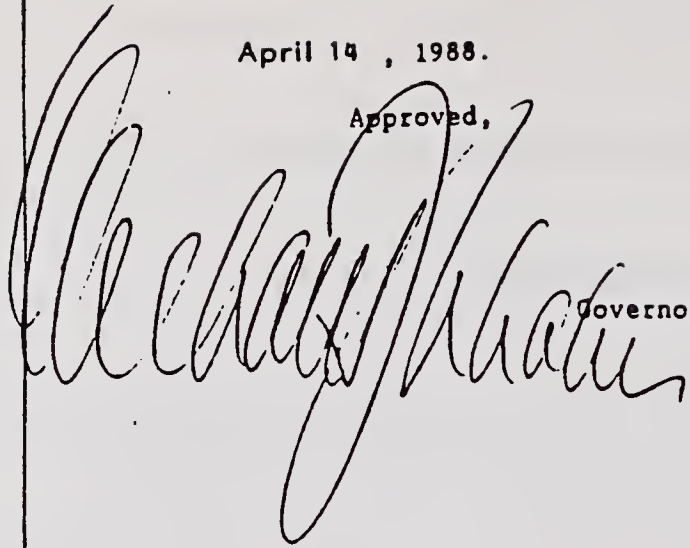
In Senate, April 5, 1988.

Passed to be enacted,

*William M. Bulger*, President.

April 14 , 1988.

Approved,

 Governor.

## THE COMMONWEALTH OF MASSACHUSETTS

*In the Year One Thousand Nine Hundred and Eighty-eight*

AN ACT RELATIVE TO THE MERGER OF NONPROFIT HOSPITAL SERVICE CORPORATIONS AND MEDICAL SERVICE CORPORATIONS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. Blue Shield of Massachusetts, Inc., organized under chapter one hundred and seventy-six B, is hereby authorized to merge with Blue Cross of Massachusetts, Inc., organized under chapter one hundred and seventy-six A. The surviving corporation shall be named Blue Cross and Blue Shield of Massachusetts, Inc., shall exist for the purposes set out in the articles of organization of both predecessor corporations, as amended, and shall be subject to the laws specified in section two of this act. Such merger shall take effect upon the filing with the state secretary of a certificate of the chairman or president and secretary of each corporation that the merger authorized by this act has been authorized on behalf of such corporation by vote of two-thirds of its members legally qualified to vote in meetings of the corporation. Such certificate shall constitute articles of merger and such merger shall have the effect set forth in section eighty of chapter one hundred and fifty-six B.

SECTION 2. The corporation surviving the merger authorized by section one shall be subject to the following provisions of law:-

(a) chapter one hundred and seventy-six A, except that the corporation shall have not less than eleven nor more than thirty-one directors;

(b) chapter one hundred and seventy-six B;

(c) laws by their terms applicable to nonprofit hospital service corporations and to medical service corporations;

(d) subject to the provisions of clauses (a), (b) and (c), sections two B and eight of chapter one hundred and fifty-five; sections six, seven, seven A and nine of chapter one hundred and eighty; section ten of chapter one hundred and eighty, which shall apply to the corporation, to corporations organized under that chapter, and to other nonprofit corporations organized under chapters one hundred and seventy-six A, one hundred and seventy-six B or one hun-

dred and seventy-six G as if all s  
ter one hundred and eighty for pur  
such sections of chapters one hund  
and receivership, as are made appl  
ter one hundred and eighty by sect

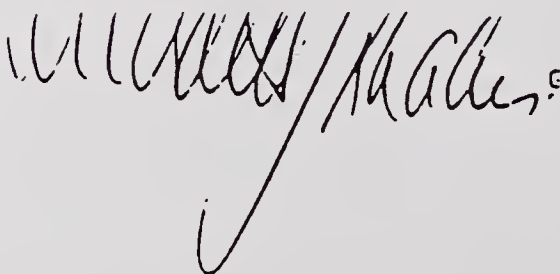

(e) the corporation shall  
subscribers, in such form as it ma  
ting providers or the identity of  
ferences between such providers i

SECTION 3. The merged corpora  
less than five per cent of all  
year. The merged corporation may  
without approval of the commission

Passed to be enacted,



Passed to be enacted,



## THE COMMONWEALTH OF MASSACHUSETTS

*In the Year One Thousand Nine Hundred and Eighty-eight*

*AN ACT ESTABLISHING THE ARBELLA MUTUAL INSURANCE COMPANY.*

*Whereas, The deferred operation of this act would tend to defeat its purpose, which is to authorize the creation of a new mutual insurance company to write motor vehicle and other forms of insurance in the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.*

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

*WHEREAS, A new domestic mutual company, shall be created to take the place of Lumberman's Mutual Casualty Company, American Motorists Insurance Company, American Manufacturers Mutual Insurance Company and American Protection Insurance Company otherwise known as the Kemper Group in the motor vehicle and homeowners insurance market in Massachusetts, and*

*WHEREAS, the Kemper Group has committed to funding the domestic mutual company with capital and other support services, including support services, including one hundred and nineteen million dollars in guaranty funds, and*

*WHEREAS, the new domestic mutual company shall not be considered a newly emerging company or a newly writing company for the purpose of the company's status as a member of Commonwealth Automobile Reinsurers otherwise known as CAR pursuant to the rules of operation of CAR in effect on the effective of this act, and*

*WHEREAS, the new domestic mutual company shall assume the Kemper Group's participation share of the CAR deficit and other CAR obligations for policy year 1988 and later, subject to terms and conditions as shall be approved by the Commissioner of Insurance.*

*SECTION 1. The commissioner of insurance is hereby authorized and directed to approve the formation of a mutual insurance company, to be known as Arbella Mutual Insurance Company, which shall be authorized to transact any and all kinds of insurance, as the commissioner shall approve. Except as provided herein, or in its articles of organization or by-laws, such company*

shall have all powers conferred upon a mutual insurance company incorporated in the commonwealth and shall be subject to all provisions of the General Laws which are now or may in the future be applicable to such companies.

SECTION 2. Arbella Mutual Insurance Company shall be governed by a board of directors elected by the policyholders of the company in accordance with the General Laws; provided, however, that the commissioner of insurance shall have the authority to remove any director of the company, upon notice and a finding that said director violated any provision of law or fiduciary duty for the protection of policyholders of the company, or negligently did or omitted to do any act, which materially impaired the sound financial condition of the company or caused the company to refuse to issue motor vehicle policies which action resulted in a material disruption of the motor vehicle insurance market in Massachusetts. In making such determination, the commissioner may rely in whole or in part on the report of any competent person appointed in accordance with section three.

SECTION 3. In addition to any other powers contained in the General Laws with respect to the examination of the financial condition of insurance companies, whenever the commissioner of insurance deems it advisable, he may appoint a competent person who shall make such examination of the company as the commissioner determines, at the expense of the company. The commissioner may disapprove any auditor selected by the company and the commissioner may require appointment of a different auditor.

SECTION 4. Notwithstanding any other provision of any general or special law, Arbella Mutual Insurance Company shall:

(a) have in lieu of guarantee capital a guaranty fund in an amount as the commissioner shall initially determine. Said guaranty fund shall be considered surplus for the purpose of all provisions of chapter one hundred and seventy-five of the General Laws. Said guaranty fund shall be in the form of guarantee fund certificates and shall be subject to terms and conditions with respect to interest, repayment, and voting rights as the commissioner shall approve. The company shall not be subject to the provisions of said chapter one hundred and seventy-five, insofar as the provisions thereof relating to guarantee capital are inconsistent with this section, including but not limited to, sections seventy-seven, seventy-nine, eighty-five A, ninety-three and ninety-three F of said chapter one hundred and seventy-five;

(b) not be subject to the provisions of sections seventy-three, ninety A, ninety C, ninety-two, ninety-three, ninety-three A and ninety-three B of said chapter one hundred and seventy-five, insofar as they relate to subscriptions for insurance or securing initial applications for insurance;

(c) not be subject to the provisions of the first paragraph of sections fifty-eight and fifty-nine of said chapter one hundred and seventy-five;

(d) be authorized to issue nonassessable policies.

SECTION 5. Arbella Mutual Insurance Company may at any time submit a plan to the commissioner of insurance for conversion to a domestic stock insurance company. The commissioner shall, after due hearing and investigation, approve such conversion unless he determines that it is not in the best interest of the policyholders of the company or the public. The commissioner may at any time require the conversion of the company to a stock company if he determines that the financial condition of the company may become impaired and that no reasonable alternative methods are available to restore the financial stability of the company. Any such plan for conversion shall:

(a) be adopted by vote of a majority of the directors of the company; provided however, that if the commissioner of insurance requires said company to convert to a stock company, approval of the plan by the directors shall not be required;

(b) be approved by a majority of the members of the company voting, in person or by proxy, at a meeting duly called for such purpose; provided, however, that if the commissioner of insurance requires said company to convert to a stock company, approval of the plan by the policyholders shall not be required;

(c) be approved by the commissioner of insurance as conforming to the requirements of this act and not prejudicial to the policyholders of such company or to the public interest;

(d) provide that an equitable share of the value of such company immediately prior to conversion, over and above all outstanding obligations of the company, shall be determined and distributed among the policyholders of such company, in accordance with a formula approved by the commissioner, which distribution may be in the form of shares of stock of the resulting stock company, or in cash, or in such other forms as the commissioner shall approve; provided, however, that if the commissioner finds that the value of such company prior to conversion is insufficient to warrant any such distribution, the plan may provide for conversion without any such distribution;

(e) establish the class or classes of stock of the resulting stock corporation, and determine the voting and other rights of each such class, all as shall be approved by the commissioner;

(f) specify the terms and condition of the issuance of shares of stock of the company, after conversion, to any other person or entity which has or will make an investment in such company, including, but not limited to, the issuance of securities in exchange for outstanding securities, claims, or property interests, or partly in such exchange or partly in cash, all as shall be approved by the commissioner;

(g) include, as a part thereof, such amendments to the charter, articles of organization or by-laws of the company as are necessary or appropriate in connection with such conversion, which amendments, notwithstanding any other provision of law, may be adopted by a vote of the majority of the directors of such company and which shall be approved by the commissioner as conforming to the requirements of this act, without compliance with the notice and other requirements which may now exist in the charter or by-laws of such company if the commissioner finds that in view of the existing financial condition of such company, or the need for immediate remedial action or otherwise, non-compliance is in the best interests of the policyholders of such company.

SECTION 6. Any conversion authorized by this act shall not take effect until the commissioner of insurance issues a written certification that such conversion is in accordance with the requirements of this act and is fair and reasonable to the policyholders and in the public interest and such certificate is filed with the state secretary, together with the articles of organization of the stock company resulting from such conversion. The stock company resulting from said conversion shall be subject to and shall comply with all provisions of the general or special laws applicable to insurance companies. The stock company shall be deemed to have been organized at the time the converted mutual was organized.

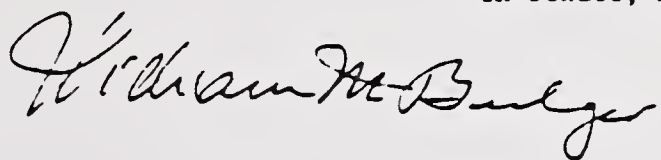
SECTION 7. Upon conversion, the officers and directors of Arbella Mutual Insurance Company shall remain as the officers and directors of the resulting stock company until their successors shall have been duly elected and qualified in accordance with the by-laws of the company, as the same may have been amended pursuant to the plan. No contracts, claims, suits, or other rights of or against the company shall be affected by such conversion. All rights, interests and properties of the mutual company shall, without any further deed

or act, be transferred to and continue to be the property of the resulting stock company, and the resulting stock company shall assume and remain bound by all obligations and liabilities of the mutual company.


House of Representatives, July 15, 1988.

Preamble adopted,  Acting  
, Speaker.

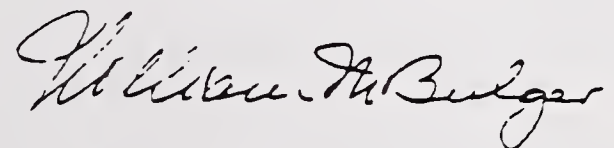
In Senate, July 15, 1988.

Preamble adopted,  , President.

House of Representatives, July 15, 1988.

Bill passed to be enacted,  , Speaker.

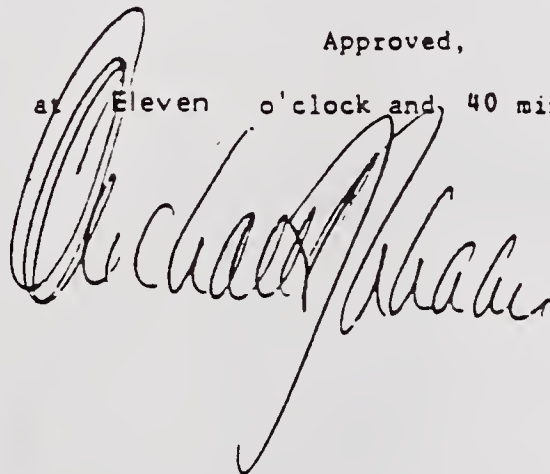
In Senate, July , 1988.

Bill passed to be enacted,  , President.

July 26 , 1988.

Approved,

at Eleven o'clock and 40 minutes, A. M.

 Governor.



Chapter 227.

THE COMMONWEALTH OF MASSACHUSETTS

In the Year One Thousand Nine Hundred and Eighty-eight

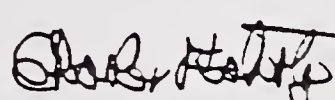
AN ACT RELATIVE TO THE BOARD OF APPEAL ON MOTOR VEHICLE LIABILITY POLICIES  
AND BONDS.

Be it enacted by the Senate and House of Representatives in General Court  
assembled, and by the authority of the same, as follows:

Section 8A of chapter 26 of the General Laws, as appearing in the 1986 Of-  
ficial Edition, is hereby amended by striking out, in line 4, the words "an  
assistant attorney general" and inserting in place thereof the words:- two  
assistant attorneys general.

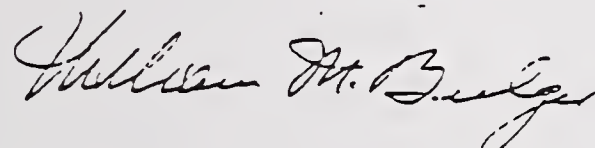
House of Representatives, July 16, 1988.

Passed to be enacted,

 Acting  
Speaker.

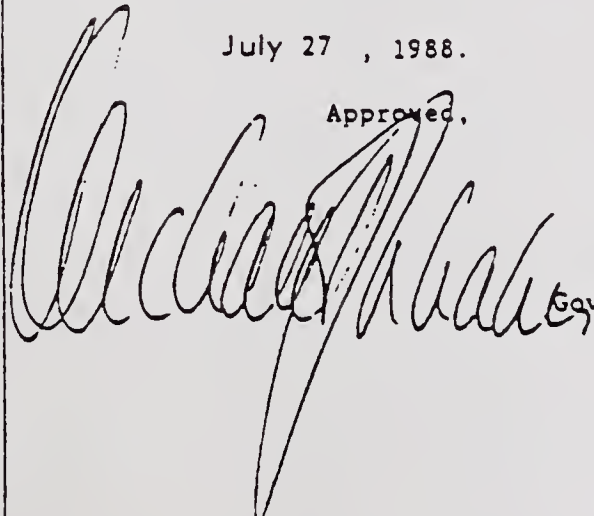
In Senate, July 16, 1988.

Passed to be enacted,

 , President.

July 27, 1988.

Approved,

 Governor.



## THE COMMONWEALTH OF MASSACHUSETTS

In the Year One Thousand Nine Hundred and Eighty-eight

AN ACT RELATIVE TO CERTAIN PROPRIETARY INFORMATION OF INSURANCE AGENTS AND BROKERS RELATING ONLY TO PROPERTY AND CASUALTY INSURANCE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Chapter 175 of the General Laws, as appearing in the 1986 Official Edition, is hereby amended by inserting after section 162E the following section:-

Section 162F. A duly licensed agent or a duly licensed broker doing business pursuant to the so-called American agency system, other than that of an employer to employee relationship, shall own and have an exclusive right to use certain insurance information contained in insurance policies, certificates of insurance or a written memorandum of a preliminary contract of insurance issued by said agent or broker, embodying the records of an insurance agency which shall include but not be limited to the policy inception date, the amount of insurance coverage, the policy number, the name of the insurance company, the name of the insured, the amount of insurance premiums and the terms of insurance. Any bank, lending institution, mortgage company, or mortgagee, whether acting under state or federal authority, including but not limited to those banks as defined in section one of chapter one hundred and sixty-seven, or any loss payee who obtains said insurance information as evidence or proof of insurance shall be prohibited from using, selling, or transferring said insurance information to any third party for the purpose of marketing, underwriting, or soliciting insurance. The provisions of this section shall apply only to property and casualty insurance.

House of Representatives, July 16, 1988.

Passed to be enacted,

*George Livanian*, Speaker.

In Senate, July 16, 1988.

Passed to be enacted.

*William D. Sulzer*

, President.

July 27, 1988.

Approved,

*Richard J. Gearty*

Governor.

## THE COMMONWEALTH OF MASSACHUSETTS

*In the Year One Thousand Nine Hundred and Eighty-eight*

## AN ACT RELATIVE TO MOTOR VEHICLE INSURANCE.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to immediately regulate automobile insurance premiums, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience. \_\_\_\_\_

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

## SECTION 1. It is hereby found and declared:

That the purpose of this act is to restructure the automobile insurance system so as to provide residents of the commonwealth with effective automobile insurance protection at rates which are adequate, just, reasonable and nondiscriminatory. It is the intention of the legislature that the provisions of this act should result in future savings to consumers similar to those which would have occurred if this act had been in effect in nineteen hundred and eighty-eight. In particular, the legislature anticipates that the automobile insurance rates fixed and established by the commissioner of insurance for nineteen hundred and eighty-nine will reflect at least the following approximate savings from otherwise determined rates as a result of the changes prescribed by the indicated sections:

Three per cent savings attributable to the increase in the tort threshold to two thousand dollars and the personal injury protection benefits to eight thousand dollars, in sections fifteen and fifty-five;

Two per cent additional savings attributable to making underinsured coverage optional, in section forty-six;

Two per cent additional savings attributable to changing the "trigger" for compulsory and non-compulsory underinsured coverages, also in section forty-six;

Two per cent additional savings attributable to the prohibition on "stacking" underinsured coverages in separate policies, in section forty-seven;

Two per cent additional savings attributable to increasing the standard deductible for collision and comprehensive coverage to five hundred dollars, with a three hundred dollar minimum, in sections twenty and forty-eight;

Four per cent additional savings attributable to permitting insurance companies to pay consumers directly for automobile damage repairs and to refer consumers to automobile repair shops, in sections twenty-four, and fifty-one;

One half of one per cent additional savings attributable to creating an optional deductible of one hundred dollars for glass damage, in section fifty;

One half of one per cent additional savings for safe drivers attributable to increased surcharges for bad drivers, pursuant to section thirty-eight;

One tenth of one per cent additional savings attributable to increasing penalties for uninsured drivers, in section fifty-six.

SECTION 2. Chapter 6 of the General Laws is hereby amended by inserting after section 183 the following section:-

Section 183A. There is hereby established a Massachusetts cost containment council, hereinafter called the council. The council shall consist of the following persons or their designees: the secretary of consumer affairs, who shall serve as chairman, the commissioner of insurance, the secretary of public safety, the registrar of motor vehicles, the commissioner of the state police, the secretary of transportation and construction, the commissioner of public works, the attorney general, the president of the association of district attorneys, the executive director of the governor's statewide anti-crime council, the chief administrative justice of the trial court, the executive director of the judicial institute, and the commissioner of probation. The council shall annually formulate and administer a plan that, at a minimum, shall include performance standards for reductions in motor vehicle insurance fraud, motor vehicle thefts, motor vehicle arson, motor vehicle accident frequency and severity, and the number of uninsured motorists. The council is hereby authorized and directed to stimulate activities, develop proposals and increase inter-agency cooperation for the purpose of implementing said plan.

The projects undertaken or originated by the council shall include but shall not be limited to the following: improvement, expansion and coordination of safe driver education for residents of the commonwealth when they obtain and renew licenses, purchase automobile insurance, and are charged with or convicted of offenses pertaining to unsafe driving; improvement of the content of and appropriate expansion of access to information needed to enforce auto-

mobile theft and fraud laws, including accident reports, theft reports, automobile arson reports, criminal histories, automobile titles and certificates of origin, and suspicious insurance claims; development of sentencing guidelines and model sentencing recommendations for offenses pertaining to unsafe driving and automobile theft and fraud in order to increase the certainty of punishment for these crimes, either through incarceration or through alternative sentences such as mandatory driver education or electronic monitoring, as appropriate; training of judges concerning the relevant provisions of this act, including appropriate case management techniques; training of registry of motor vehicles and law enforcement personnel in relevant law enforcement techniques, such as identification of stolen automobiles, recognition of forged title and registration documents, and identification of potential fraud in accident reports and other documents; and public awareness campaigns concerning the prevention of automobile theft.

The council shall annually on or before November first inform the general court of its activities by filing a report with the clerk of the senate, who shall forward said report to the senate and house committees on ways and means and the joint committee on insurance. Said report shall state the reductions in motor vehicle insurance cost factors realized by the programs and projects set forth in the council's annual plan and shall include any recommendations deemed necessary by the council for legislation needed to improve future performance.

SECTION 3. Section 8G of chapter 26 of the General Laws, as appearing in the 1986 Official Edition, is hereby amended by striking out the sixth paragraph and inserting in place thereof the following paragraph:-

Applications for registration as licensed motor vehicle damage appraisers signed and sworn to by the applicants, shall be made upon forms furnished by the board. Each applicant who shall furnish the board with satisfactory proof that he is eighteen years of age or over and of good moral character, that he possesses the educational qualifications required for graduation from high school or that he possesses relevant work experience deemed satisfactory by the board, shall, upon payment of fifty dollars, be examined, and if found qualified by the board, be registered as a licensed appraiser of motor vehicle physical damage and entitled to a numbered certificate in testimony thereof, signed by the chairman of the board. An applicant failing to pass an examination satisfactory to the board, shall, after payment of a further fee of twenty-

ty-five dollars, be entitled to a reexamination after the expiration of six months from the date of the last examination.

SECTION 4. The first paragraph of section 24H of chapter 90 of the General Laws, as so appearing, is hereby amended by striking out the third sentence.

SECTION 5. The second paragraph of said section 24H of said chapter 90, as so appearing, is hereby amended by striking out the second sentence.

SECTION 6. The third paragraph of said section 24H of said chapter 90, as so appearing, is hereby amended by striking out the first sentence.

SECTION 7. The second sentence of said third paragraph of said section 24H of said chapter 90, as so appearing, is hereby amended by striking out, in line 25, the words ", along with the vehicle identification plates,".

SECTION 8. Section 25 of said chapter 90, as so appearing, is hereby amended by striking out, in line 18, the words "not less than twenty-five nor more than".

SECTION 9. Section 30A of said chapter 90, as so appearing, is hereby amended by inserting after the word "plan", in line 9, the words:- and for the purpose of complying with the requirements of sections one A, thirty-four A, thirty-four B and thirty-four H pertaining to motor vehicle liability policies.

SECTION 10. Said chapter 90 is hereby further amended by inserting after section 30A the following section:-

Section 30B. The secretary of public safety is hereby authorized and directed to enter into a compact on behalf of the commonwealth with any other jurisdiction legally joining therein in the form substantially as follows:

(I) (a) "State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(b) "Home State" means the state that has issued and has the power to suspend or revoke the use of the license or permit to operate a motor vehicle.

(c) "Conviction" means a conviction of any offense related to the use or operation of a motor vehicle that is prohibited by state law, municipal ordinance, or administrative rule or regulation; or a forfeiture of bail, bond, or other security deposited to secure appearance by a person charged with having committed any such offense, and which conviction or forfeiture is required to be reported to the licensing authority.

(II) The licensing authority of a party state shall report each conviction of a person from another party state occurring within its jurisdiction to the licensing authority of the home state of the licensee. Such report shall clearly identify the person convicted; describe the violation specifying the section of the statute, code or ordinance violated; identify the court in which action was taken; indicate whether a plea of guilty or not guilty was entered, or the security; and shall include any special findings made in connection therewith.

(III) (a) The licensing authority in the home state, for the purposes of suspension, revocation, or limitation of the license to operate a motor vehicle, shall give the same effect to the conduct reported, pursuant to subsection II as it would if such conduct had occurred in the home state, in the case of convictions for:

(1) Manslaughter or negligent homicide resulting from the operation of a motor vehicle;

(2) Driving a motor vehicle while under the influence of intoxicating liquor or narcotic drug, or under the influence of any other drug to a degree that renders the driver incapable of safely driving a motor vehicle;

(3) Any felony in the commission of which a motor vehicle is used;

(b) As to other convictions, reported pursuant to subsection II, the licensing authority in the home state shall give such effect to the conduct as is provided by the laws of the home state;

(c) If the laws of a party state do not provide for offenses or violations denominated or described in precisely the words employed in subdivision (a) of this subsection, such party state shall construe the denominations and descriptions appearing in the subdivision (a) hereof as being applicable to and identifying those offenses or violations of a substantially similar nature, and the laws of such party state shall contain such provisions as may be necessary to ensure that full force and effect is given to this subsection.

(IV) Upon application for a license to drive, the licensing authority in a party state shall ascertain whether the applicant has ever held, or is the holder of, a license to drive issued by any other party state. The licensing authority in the state where application is made shall not issue a license to drive to the applicant if:

(1) The applicant has held such a license, but the same has been suspended by reason, in whole or in part, of a violation and if such suspension period has not terminated.

(2) The applicant has held such a license, but the same has been revoked by reason, in whole or in part, of a violation; and if such revocation has not terminated, except that after the expiration of one year from the date the license was revoked, such person may make application for a new license if permitted by law. The licensing authority may refuse to issue a license to any such applicant if, after investigation, the licensing authority determines that it will not be safe to grant to such person the privilege of driving a motor vehicle on the public highways.

(3) The applicant is the holder of a license to drive issued by another party state and current in force unless the applicant surrenders such license.

(V) Except as expressly required by provisions of this compact, nothing contained herein shall be construed to affect the right of any party state to apply any of its other laws relating to licenses to drive to any person or circumstance, nor to invalidate or prevent any driver license agreement or other cooperative arrangement between a party state and a nonparty state.

(VI) (a) The head of the licensing authority of each party state shall be the administrator of this compact for his state. The administrators, acting jointly, shall have the power to formulate all necessary and proper procedures for the exchange of information under this compact.

(b) The administrator of each party state shall furnish to the administrator of each other party state any information or documents reasonably necessary to facilitate the administration of this compact.

(VII) (a) This compact shall enter into force and become effective as to any state when it has enacted the same into law.

(b) Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until six months after the executive head of the withdrawing state has given notice of the withdrawal to the executive heads of all other party states. No withdrawal shall affect the validity or applicability by the licensing authorities of states remaining party to the compact of any report of conviction occurring prior to the withdrawal.

(VIII) This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable; and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is

held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstances shall not be affected thereby. If this compact shall be held contrary to the constitution of any state party thereto, the compact shall remain in full force and effect as the remaining states and in full force and effect as to the state affected to all severable matters.

(IX) As used in the compact, the term "licensing authority" with reference to this state shall mean the registrar of motor vehicles. Said registrar shall furnish to the appropriate authorities of any party state any information or documents reasonably necessary to facilitate the administration of subsections II, III and IV of the compact.

(X) The compact administrator provided for in subsection VI of the compact shall not be entitled to any additional compensation on account of his service as such administrator, but shall be entitled to expenses incurred in connection with his duties and responsibilities as administrator, in the same manner, as for expenses incurred in connection with any other duties or responsibilities of his office or employment.

(XI) As used in the compact, with reference to this state, the term "executive head" shall mean the governor.

(XII) Any court or any other agency of this state, or a subdivision thereof, which has jurisdiction to take any action suspending, revoking or otherwise limiting a license to drive, shall report any such action and the adjudication upon which it is based to the registrar within fourteen days on forms approved by the registrar.

SECTION 11. Section 34A of said chapter 90, as so appearing, is hereby amended by striking out, in lines 54 and 97, the word "ten" and inserting in place thereof, in each instance, the word:- fifteen.

SECTION 12. Said section 34A of said chapter 90 is hereby further amended by striking out the word "fifteen", inserted by section 11 of this act, and inserting in place thereof the word:- twenty.

SECTION 13. Said section 34A of said chapter 90, as appearing in the 1986 Official Edition, is hereby further amended by striking out, in lines 56 and 99, the word "twenty" and inserting in place thereof, in each instance, the word:- thirty.

SECTION 14. Said section 34A of said chapter 90 is hereby further amended by striking out the word "thirty", inserted by section 13 of this act, and inserting in place thereof the word:- forty.

SECTION 15. The definition of "Personal injury protection" in said section 34A of said chapter 90, as appearing in the 1986 Official Edition, is hereby amended by striking out, in line 155, the word "two" and inserting in place thereof the word:- eight.

SECTION 16. Said definition of "Personal injury protection" in said section 34A of said chapter 90, as so appearing, is hereby further amended by adding the following paragraph:-

Notwithstanding the foregoing, personal injury protection provisions shall not provide for payment of more than two thousand dollars of expenses incurred within two years from the date of accident for medical, surgical, X-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services if, and to the extent that, such expenses have been or will be compensated, paid or indemnified pursuant to any policy of health, sickness or disability insurance or any contract or agreement of any group, organization, partnership or corporation to provide, pay for or reimburse the cost of medical, hospital, dental or other health care services. No policy of health, sickness or disability insurance and no contract or agreement of any group, organization, partnership or corporation to provide, pay for or reimburse the cost of medical, hospital, dental or other health care services, shall deny coverage for said expenses because of the existence of personal injury protection benefits. Notwithstanding the provisions of section seventy A of chapter one hundred and eleven of the General Laws, no entity which is the source of the provision, payment or reimbursement of said expenses shall recover any amount against the claimant nor shall it be subrogated to the rights of the claimant for more than two thousand dollars of personal injury protection benefits, nor shall it have a lien against the claimant's personal injury protection benefits on account of its provision payment of reimbursement of said expenses. Within two years from the date of the accident, if the claimant has a policy of insurance which provides health benefits or income disability coverage, and the claimant is unwilling or unable to pay the costs of renewing or continuing that policy of insurance in force, the insurer providing personal injury protection coverage to the claimant may tender to the claimant the cost of maintaining the said policy in force for the two year period. Upon receipt of such tender, the claimant shall continue such policy of insurance; or an equivalent policy in force for the two year period. Nothing in this subsection shall be construed to compel

a claimant to renew or maintain any policy of insurance in force prior to receipt of the said tender, or to interfere in any way with the claimant's choice of physician or course of medical treatment.

SECTION 17. Section 34J of said chapter 90, as so appearing, is hereby amended by striking out, in lines 5 and 6, the words "three hundred dollars nor more than one thousand five hundred" and inserting in place thereof the words:- five hundred nor more than five thousand.- and by striking out, in lines 10 and 11, the words "two hundred dollars of any".

SECTION 18. Said section 34J of said chapter 90, as so appearing, is hereby further amended by adding at the end thereof the following two paragraphs:-

In proceedings under this section, written certification by the registrar of motor vehicles that the registry of motor vehicles has no record of a motor vehicle liability policy or bond or deposit in effect at the time of the alleged offense as required by the provisions of this chapter for the motor vehicle alleged to have been operated in violation of this section, shall be admissible as evidence in any court of the commonwealth and shall raise a rebuttable presumption that no such motor vehicle liability policy or bond or deposit was in effect for said vehicle at the time of the alleged offense. Such presumption may be rebutted and overcome by evidence that a motor vehicle liability policy or bond or deposit was in effect for such vehicle at the time of the alleged offense.

Any person who is convicted of, or who enters a plea of guilty to a violation of this section shall be liable to the plan organized pursuant to section one hundred and thirteen H of chapter one hundred and seventy-five in the amount of the greater of five hundred dollars or one year's premium for compulsory motor vehicle insurance for the highest rated territory and class or risk in effect at the time of the commission of the offense. Said liability shall be in addition to all other liabilities imposed on the person so convicted or so pleading whether civil or criminal. The said plan shall apply any sums collected hereunder, to defray its costs of collection and to defray in whole or in part its expenses for preventing fraud and arson. Furthermore, any person who is convicted of, or enters a plea of guilty to a violation of this section shall have his or her license or right to operate a motor vehicle suspended for sixty days by the registrar of motor vehicles upon the registrar's receipt of notification from the clerk of any court which enters any

conviction hereunder or which accepts such plea of guilty. The clerk of any court which enters any conviction hereunder or which accepts such plea shall promptly notify the registrar of motor vehicles and the Commonwealth Auto Reinsurers pursuant to section one hundred and thirteen of chapter one hundred and seventy-five or any successor thereto of such entry of acceptance of such plea. For any second or subsequent said conviction or plea of guilty within a six year period the offender's license or right to operate a motor vehicle shall be suspended for one year by the registrar upon the registrar's receipt of such notification by the clerk of any such court.

SECTION 19. The sixth paragraph of section 34M of said chapter 90, as so appearing, is hereby amended by striking out, in line 107, the words "or two thousand dollars" and inserting in place thereof the words:- , two thousand dollars, four thousand dollars or eight thousand dollars.

SECTION 20. Section 34 O of said chapter 90, as so appearing, is hereby amended by striking out, in lines 30, 57 and 99, the word "three" and inserting in place thereof, in each instance, the word:- five,- and by striking out, in line 100, the word "one" and inserting in place thereof the word:- three.

SECTION 21. The sixth paragraph of said section 34 O of said chapter 90, as so appearing, is hereby amended by adding the following sentence:- The charge for said additional coverage shall not exceed the actuarial cost of reducing the deductible from five hundred dollars to three hundred dollars.

SECTION 22. Said section 34 O of said chapter 90, as so appearing, is hereby further amended by inserting after the sixth paragraph the following paragraph:-

The insurer may require a deductible of five hundred dollars on collision and limited collision coverage for any policyholder after a major at-fault accident as determined by the commissioner of insurance and on record with the motor vehicle insurance merit rating board established pursuant to section one hundred and eighty-three of chapter six; provided, however, that no insurer may require such increased deductible for any such accident occurring on or before August first, nineteen hundred and eighty-eight; and provided, further, that no such increased deductible may be required for more than three policy years following the date of such accident.

SECTION 23. Said section 34 O of said chapter 90, as so appearing, is hereby further amended by striking out the eighth paragraph and inserting in place thereof the following paragraph:-

Insurers shall also make available to all policyholders at their option deductible amounts of one thousand dollars. The insurance commissioner may approve or require other optional deductible amounts in excess of five hundred dollars.

SECTION 24. Said section 34 O of said chapter 90, as so appearing, is hereby further amended by striking out the tenth paragraph and inserting in place thereof the following paragraphs:-

No insurer shall make any payments to the insured under collision coverage or limited collision coverage policies unless it has received a claim form from the insured stating that the repair work described in an appraisal made pursuant to regulations promulgated by the auto damage appraisers licensing board has been completed, except for payments made in accordance with a plan filed and approved pursuant to the following paragraph. In any case where the insurer fails to make payment within seven days of receipt of the above claim form, the insured may commence a civil action for payments claimed to be due. If the court determines that the insurer was unreasonable in refusing to pay said insured's claim, the claimant shall be entitled to recover double the amount of damage plus costs and reasonable attorneys' fees fixed by the court. If such claim form is not received by the insurer, the insurer shall pay to the insured only the decrease in actual value of the insured vehicle less any deductible. If the insured elects not to repair the vehicle, or if the insurer does not receive a claim form from the insured stating that the repair work has been completed, the insurer shall decrease the actual cash value of the insured vehicle by the amount of damage sustained. Said claim form shall indicate as to whether the insured is current or not current in the payment of his automobile insurance premiums. The insurer shall be required to make payment directly to the repair shop within seven days of receipt of the claim form stating that the work has been completed if the insured has so indicated to the insurer in writing. Receipt by registered mail shall be sufficient proof of receipt. Failure to so make payment within seven days to the repair shop shall result in penalties being imposed against the insurer as established by the board.

Notwithstanding the previous paragraph or any other law, an insurer may file a plan for approval by the commissioner providing for direct payment by the insurer to the insured for the loss of or damage to the insured motor vehicle under collision coverage or limited collision coverage policies prior to

receipt by the insurer of a claim form from the insured stating that the repair work described in an appraisal made pursuant to regulations promulgated by the auto damage appraisers licensing board has been completed. Such plan shall not be approved unless it: (a) provides for a procedure acceptable to the commissioner to resolve any dispute between the insured and the insurer as to the adequacy of the payment; (b) provides for adequate disclosure to the insured of his or her rights hereunder; and (c) contains such other terms and conditions as the commissioner shall prescribe.

The commissioner may revoke approval for such a plan if he determines that the insurer is not complying with its terms or that the plan does not carry out the purposes of this section. If an insured under collision coverage or limited collision coverage, so called, elects not to repair an insured vehicle for which a claim payment has been made under one of said coverages or if the insurer does not receive a claim form from the insured certifying that the repair work has been done in accordance with an appraisal made pursuant to regulations promulgated by the auto damage appraisers licensing board, then the insurer and any successor insurer shall decrease the actual cash value of the insured vehicle by the amount of the claim payment plus any applicable deductible until such time as the insurer or any successor insurer receives a claim form with the certification described above, provided, however, that for at least seventy-five per cent of those claims where the appraisal indicates that the cost of repairs will exceed four thousand dollars and at least twenty-five per cent of those claims where the appraisal indicates that the cost of repairs will be four thousand dollars or less, a licensed auto damage appraiser shall reinspect the vehicle following completion of repairs and shall certify on the claim form that the work has been completed in accordance with an appraisal made pursuant to said regulations. The commissioner shall hold a hearing prior to approval of any such plan or plans. The commissioner shall have the authority to promulgate such rules and regulations as he deems necessary for the implementation of this paragraph.

The commissioner may require any plan filed pursuant to the preceding paragraph to provide (a) that the insured will be given a list of at least five registered repair shops, geographically convenient for the insured, from which the insured may at his or her option select a shop, which will without undue delay complete the repair work for the amount of the payment to the insured, plus any applicable deductible, that the insurer will guarantee the quality of

the materials and workmanship used in making repairs if the repairs are performed at one of the repair shops so listed;

(b) that in no event shall the selection of vehicles for reinspection be based on the age or sex of the policyholder or of the customary operators of the vehicle, or on the principal place of garaging the vehicle; and

(c) that no insurer or appraiser shall require that repairs to any motor vehicle be made at any specific repair shop, or list of repair shops; and

(d) that in determining which repair shops will be listed as described above, the insurer shall consider only the quality and cost of repairs at a particular shop, the quality of the service given the customer, the responsiveness of the shop to customers' needs, the ability of the shop to perform repairs without undue delay, the geographic convenience of the shop for the insured, cooperation of the shop with pre- and post-repair inspections, and the shop's compliance with applicable laws and regulations. A repair shop shall be included on the list prepared by the insurer if the shop agrees in writing to comply in full with the plan filed by the insurer and approved by the commissioner. An insurer may strike a shop from the list provided it files a statement with the commissioner specifying the nature of the shop's failure to comply with the plan. Such plan shall include a fair and adequate procedure for relief for repair shops improperly stricken from such list; and

(e) no employee or agent of an insurer with responsibility for creating, managing or maintaining a list of repair shops as described above shall receive or ask for any payment, gift or other thing of value from any repair shop included, or seeking to be included, in the said list of repair shops, and no repair shop, or employee or owner thereof, shall give, pay or offer to give or pay any money or thing of value to any employee or agent of an insurer with responsibility for creating, managing or maintaining a list of repair shops. No repair shop, or employee, owner or agent thereof, shall give or pay, or offer to give or pay, any thing of value to any person in exchange for being included, or as an inducement to be included, on such a list of repair shops. For purposes of this paragraph, the words "employee", "owner" and "agent" shall also include any spouse or child of an employee, owner or agent. Violation of the provision of this paragraph may be grounds for revocation or suspension of any certificate of registration or license held under chapter one hundred A or chapter one hundred and seventy-five.

SECTION 25. The last paragraph of said section 34 O of said chapter 90, added by chapter 189 of the acts of 1987, is hereby amended by striking out the first and second sentences and inserting in place thereof the following two sentences:- Notwithstanding the provisions of subparagraphs (1) and (2) of the third paragraph, no insurer shall make payments to any repair shop located in the commonwealth for repairs to a motor vehicle under the collision and limited collision provisions of this section, unless such repairs have been made in a repair shop that certifies that it (a) is a registered motor vehicle repair shop under chapter one hundred A; (b) is owned by or has in its employ a person licensed to appraise motor vehicle collision damage pursuant to section eight G of chapter twenty-six; (c) has in effect a policy of liability insurance for protection of its customers and their property; (d) has obtained a sales and use tax identification number pursuant to chapters sixty-four H and sixty-four I; (e) has filed notification of hazardous waste activity under chapter twenty-one C and the Federal Resource Conservation and Recovery Act and (f) maintains records of all parts purchased for use in the repair of motor vehicles during the preceding eighteen months on a uniform form as prescribed by the board established pursuant to section eight G of chapter twenty-six. Such repair shop shall certify on a completed work claim form that it meets these requirements and shall list its applicable license, registration and policy numbers on such form.

SECTION 26. Said chapter 90 is hereby further amended by inserting after section 34P the following section:-

Section 34Q. Notwithstanding any general or special law, regulation or rule to the contrary, there is hereby authorized the insurance of liabilities incurred in the operation of motor vehicles by nonowner operators or in the operation of hired motor vehicles by endorsements in a general liability policy of insurance or by endorsements in a multi-peril policy of insurance, such endorsements to be distinct from, or in addition to, such endorsements presently authorized in statutory motor vehicle policies of insurance.

SECTION 27. Section 1 of chapter 90D of the General Laws, as appearing in the 1986 Official Edition, is hereby amended by inserting after the definition of "Supporting documents" the following definition:-

"Total loss salvage motor vehicle", a motor vehicle which has been stolen and unrecovered or which has been wrecked, destroyed or damaged by collision, fire, water, or other occurrence to such an extent that the owner or if the

vehicle was insured, the insurer, considers it uneconomical to repair the vehicle and because of this, the vehicle is not repaired by or for the person who owned the vehicle at the time of the event resulting in such damage.

SECTION 28. Section 17 of said chapter 90D, as so appearing, is hereby amended by striking out paragraph (d).

SECTION 29. Said chapter 90D is hereby further amended by striking out section 20, as so appearing, and inserting in place thereof the following six sections:-

Section 20. (a) Whenever an insurer acquires ownership of a motor vehicle which it has determined to be a total loss salvage motor vehicle, it shall, within ten days from the date of acquisition, surrender the certificate of title to the registrar and shall apply for a salvage title.

(b) Whenever an insurer makes a total loss settlement on a vehicle which it has determined to be a total loss salvage motor vehicle and the insured owner or claimant retains possession and ownership of the vehicle, the insurer shall notify the registrar of such retention on a form prescribed by the registrar and the owner shall, within ten days of such settlement, surrender the certificate of title to the registrar and shall apply for a salvage title. The insurer shall notify the insured owner or claimant of said owner's or claimant's responsibility to comply with the provisions of this section.

(c) Whenever a motor vehicle which is not the subject of an insurance settlement is damaged to such an extent that the owner determines said vehicle to be a total loss salvage motor vehicle, the owner shall surrender the certificate of title to the registrar and shall promptly apply for a salvage title.

(d) A total loss salvage motor vehicle shall not be titled under this chapter or registered for operation under chapter ninety unless the owner complies with the provisions of section twenty D. The owner of a total loss salvage motor vehicle shall not transfer such vehicle except in accordance with section twenty C.

Section 20A. (a) The application for the salvage title shall be made by the owner to the registrar on such form or forms as the registrar shall prescribe and shall be accompanied by: (1) a properly assigned certificate of title; (2) any other information and documents the registrar may reasonably require to establish ownership of the vehicle and the existence or nonexistence of a lien; and (3) the required fee.

(b) The registrar shall file each application for salvage title received and maintain adequate record thereof and, when satisfied as to its genuineness and regularity, shall within two registry business days following the date of application, issue a salvage title. The salvage title shall serve as proof of ownership and shall contain the name and address of the owner, a description of the vehicle, a salvage certificate serial number and any other data the registrar prescribes.

Section 20B. (a) No salvage title need be obtained for: (1) a vehicle owned by the United States unless it is registered in accordance with the provisions of chapter ninety; (2) a vehicle moved solely by animal power; (3) an implement of husbandry; (4) special mobile equipment; (5) trailers; (6) passenger vehicles ten or more years old; or (7) mobile homes as defined in section thirty-two Q of chapter one hundred and forty.

Section 20C. (a) If an owner of a vehicle for which a salvage title has been issued under this chapter transfers his interest therein, he shall execute the assignment to the transferee on the space provided therefor on the salvage title or on such other form as the registrar shall prescribe and cause the title and assignment to be delivered to the transferee at the time of delivery of the vehicle.

(b) Except for dealers licensed under the provisions of section fifty-nine of chapter one hundred and forty, the transferee of a vehicle for which a salvage title has been issued under this chapter or under the laws, of another state shall, within ten days after receiving delivery of the total loss salvage vehicle, apply for a new salvage title on the form prescribed by the registrar. The application shall be accompanied by the properly executed salvage title, required fee and any other information and documents the registrar may reasonably require to establish ownership of the vehicle.

(c) If a dealer, licensed under the provisions of section fifty-nine of chapter one hundred and forty, is a transferee of a vehicle for which a salvage title has been issued, he need not apply for a new salvage title but, upon transferring the vehicle, shall execute the assignment to the transferee in the space provided for such dealer assignments on the title on such form as the registrar prescribes and cause the title and assignment to be delivered to the transferee.

(d) Any transferor of a vehicle for which a salvage title has been issued under this chapter shall fully and fairly disclose that fact to any transferee

for value. The secretary of consumer affairs and business regulation may by regulation provide for the timing, form and content of such disclosure.

(e) The registrar may issue a salvage title for any motor vehicle which is transferred into the commonwealth and which was previously covered by a similar title from any other state.

(f) The owner of any vehicle which would qualify as a "total loss salvage vehicle" under section one of chapter ninety D which is transferred into the commonwealth but was not covered by a similar title from another state shall apply for a salvage title from the registrar.

Section 20D. (a) Any owner who reconstructs or restores a total loss salvage motor vehicle to its operating condition which existed prior to the event which caused a salvage title to issue under this chapter or the laws of another state, or who recovers a total loss salvage motor vehicle if stolen, shall make application to the registrar for a certificate of title and an inspection of the vehicle prior to registration or sale of said vehicle. Each application for title and inspection shall be accompanied by the following:

(1) the outstanding salvage title previously issued for the salvage vehicle;

(2) bills of sale evidencing acquisition of all major component parts used to restore the vehicle, listing the manufacturer's vehicle identification number of the vehicle from which the parts were removed, if such part contained or should contain the manufacturer's vehicle identification number;

(3) the owner shall also provide a sworn affidavit in the form prescribed by the registrar which states that: (i) the identification numbers of the restored vehicle and its parts have not been removed, destroyed, falsified, altered or defaced; (ii) the salvage title document attached to the application has not been forged, falsified, altered or counterfeited; (iii) all information contained on the application and its attachments is true and correct to the knowledge of the owner; and

(4) the required inspection fee.

The inspection shall include an examination of the vehicle and its major component parts to determine that the vehicle's identification number or its parts have not been removed, falsified, altered, defaced, destroyed or tampered with, that the vehicle information contained in the application and supporting documents is true and correct, and that there is no indication that the vehicle or any of its parts are stolen. Said inspection shall be con-

ducted by a person appointed under the provisions of section twenty-nine of chapter ninety. Such inspection is not for the purpose of checking road-worthiness or the safety condition of the vehicle. No liability shall be imposed upon the registrar of motor vehicles or upon the commonwealth or its agents or employees which may result from, or be connected with, any act or omission related to said inspection.

(b) Upon satisfactory inspection results, and receipt of all required documents and fees, the registrar shall issue a new certificate of title in the name of the owner which shall contain the notation "reconstructed", or if the vehicle was a stolen vehicle which was subsequently recovered in an undamaged condition, said certificate shall contain the notation "recovered theft vehicle".

Section 20E. (a) Any person who takes possession of a motor vehicle for the purpose of junking or scrapping shall within ten days after receipt of delivery, cause the certificate of title, salvage title or any other document required by the registrar as proof of ownership, to be surrendered to the registrar for cancellation. Said person shall maintain an adequate record of said cancellation which shall contain the name and address of the owner, a complete description of the vehicle including the vehicle identification number.

(b) The registrar shall maintain an adequate record of said cancellation, which shall contain the name and address of the owner, a complete description of the vehicle including the vehicle identification number. The vehicle identification number shall remain attached to said vehicle upon destruction.

(c) A motor vehicle for which the certificate of title, salvage title or any other document required by the registrar as proof of ownership, which has been surrendered for cancellation under this section shall not be titled under this chapter or registered to operate under chapter ninety.

SECTION 30. Section 28 of said chapter 90D, as so appearing, is hereby amended by striking out clause (1) and inserting in place thereof the following clause:-

(1) For filing an application for a first certificate of title, a certificate of title after a transfer, or a salvage title.

SECTION 31. Said chapter 90D is hereby further amended by striking out section 32, as so appearing, and inserting in place thereof the following section:-

Section 32. (a) Whoever falsely makes, alters, forges, or counterfeits a certificate of title or salvage title; or alters or forges an assignment of a certificate of title or salvage title, or supporting documents, or an assignment or release of a security interest on a certificate of title or a form the registrar prescribes; or has possession of or uses a certificate of title or salvage title, knowing it to have been altered, forged, or counterfeited; or uses a false or fictitious name or address, or makes a material false statement or fails to disclose a security interest, or conceals any other material fact, in an application for a certificate of title or salvage title; or supporting documents, shall be punished by a fine of not more than one thousand dollars or by imprisonment in the state prison for not more than five years, or in a jail or house of correction for not more than two years, or both.

(b) Whoever permits another not entitled thereto, to use or have possession of a certificate of title or salvage title or fails to mail or deliver a certificate of title, salvage title or application therefor to the registrar within ten days after the time required by this chapter, or whoever fails to deliver to the transferee or the registrar a certificate of title or salvage title within ten days after the time required by this chapter, or violates any other provision of the chapter, except as provided for in paragraph (a), shall be punished by a fine of not less than five hundred dollars nor more than one thousand dollars or by imprisonment in a jail or house of correction for not more than six months, or both.

SECTION 32. The General Laws are hereby further amended by inserting after chapter 100 the following chapter:-

#### CHAPTER 100A.

##### MOTOR VEHICLE DAMAGE REPAIR SHOPS.

Section 1. As used in this chapter, the following words, unless the context clearly requires otherwise, shall have the following meanings:

"Director", the director of the division of standards in the executive office of consumer affairs, established by section eleven of chapter six A.

"Registered motor vehicle repair shop", a motor vehicle repair shop which has a current valid certificate of registration issued hereunder.

"Motor vehicle repair", the business or act of repairing damaged motor vehicles in the commonwealth for compensation.

"Motor vehicle repair shop", any person or entity which, for compensation, or with the intention or expectation of receiving the same, repairs or undertakes to repair in the commonwealth a damaged motor vehicle as defined in section thirty-four A of chapter ninety.

"Person", individuals, associations, partnerships and corporations, and the officers, directors and employees of a corporation.

"Unregistered motor vehicle repair shop", a motor vehicle repair shop which does not have a current valid certificate of registration issued hereunder, which has had its registration revoked or suspended, or which has surrendered its certificate of registration hereunder.

Section 2. Any person desiring to be registered as a motor vehicle repair shop shall make written application under oath to the director on a form provided by him. Said application shall set forth the name and address of the applicant and of any other person having financial interest, direct or indirect, in the business to be conducted by the applicant, and such other information as the director shall require, and shall identify at least one natural person who is in charge of the operations of the applicant. Said application shall be accompanied by a registration fee in the amount of one hundred dollars, or such other amount as the secretary of administration and finance pursuant to the provisions of section three B of chapter seven shall establish, together with two letters of recommendation for registration signed by a registered motor vehicle repair shop or by an elected public official or a member of the Massachusetts Bar. Said application shall be further accompanied by a bond upon the applicant in the sum of ten thousand dollars, payable to the director or his successors with sureties approved by the director and conditioned on applicant's compliance with the provisions of this chapter. Said bond shall guarantee the payment of all fines and penalties incurred by applicant as a registered motor vehicle repair shop for his violations of the said provisions, and also guarantee the payment or satisfaction of any final judgments on claims by creditors against the registered motor vehicle repair shop arising in connection with business done under a certificate or registration granted under this chapter, all such payments under said bond to be limited to the amount of said bond. Such a creditor's claim however, must have been duly filed by giving written notice to the director prior to the expiration of sixty days from the return, surrender of said certificate of registration or date of the filing of an affidavit of loss of the certificate of registration held by the registered motor vehicle repair shop against whom the claim is made.

The acceptance by an applicant of a certificate of registration issued by the director to him as a registered motor vehicle repair shop shall be deemed equivalent to an appointment by the registrant of the director, or his successors in office, to be the registrant's true and lawful attorney upon whom may be served all lawful process in any action or proceeding against him or his executor or administrator, arising out of the transaction of business by him under said certificate of registration. Any process against the registrant so served shall, if said registrant is notified as hereinafter provided, be of the same legal force and validity as if served on him personally, and the mailing by the director of a copy of such process to said registrant at his last address, as appearing on the director's records, shall be sufficient notice to him of such service. Service of such process shall be made by delivering or mailing duplicate copies thereof together with a fee of two dollars to the office of the director, and the director shall forthwith send one of said copies by mail, postage prepaid, addressed to the defendant registrant named in such process at his last address as appearing on the director's records.

An affidavit of the director, or of any person authorized by him to send such copy, that such copy has been mailed shall be prima facie evidence thereof. One of the duplicates of such process, certified by the director as having been delivered to the office of the director shall be sufficient evidence of service upon him as attorney for the registrant named as defendant in the process.

Section 2A. Notwithstanding the provisions of section two, the requirement of a bond may be satisfied by the submission of a letter of credit in the amount of ten thousand dollars, in a form approved by the director. Said letter of credit shall accompany the written application prescribed in section two and the applicant shall comply with all other requirements of said section.

Section 3. No application for registration conforming to the requirements of section two shall be denied except after a public hearing held by the director in accordance with the subject to the conditions of chapter thirty A. No such application shall be denied except upon a finding by the director after said hearing of one or more of the following grounds for denial: (a) that the applicant or any person having a financial interest, direct or indirect, in the business to be conducted by the applicant, has been convicted within

the most recent five year period from the date of the application of a felony which may reflect upon his suitability to own or operate; (b) that the applicant or any person having a financial interest, direct or indirect, in the business to be conducted by the applicant, has followed a continuous and flagrant course of misrepresentations or the making of false promises, through advertising or otherwise, in the conduct of motor vehicle repair or otherwise; (c) that the applicant, any person having a financial interest direct or indirect, in the business to be conducted by the applicant, or any registered or previously registered motor vehicle repair shop in which the applicant or such person has or had a financial interest, direct or indirect, has failed to meet or has violated any of the requirements for registered motor vehicle repair shops set forth in this chapter or (d) that the applicant, any person having a financial interest, direct or indirect, in the business to be conducted by the applicant, or any registered or previously registered motor vehicle repair shop in which the applicant or such person has or had a financial interest, direct or indirect, has had registration hereunder denied, revoked, suspended or surrendered during the previous five years. Upon denial of an application, the director shall surrender to the applicant the bond filed with his application within the time set forth, but shall not refund the registration fee.

Section 4. Each certificate of registration issued by the director shall bear a number, shall be valid for one year from the date of its issuance, may be renewed upon application to the director on a form provided by him, shall not be transferable, and may be exercised only by the person whose name appears on the certificate; provided, however, that the registered motor vehicle repair shop may employ unregistered individuals to repair motor vehicles under the registrant's immediate direction and control.

Section 5. Prior to its expiration date, a certificate of registration may be suspended or revoked by the director in accordance with the procedure and on the grounds set forth in section three or eight, or may be terminated by voluntary surrender by the registrant.

Upon the expiration, termination or surrender of a certificate of registration, the registrant shall deliver the certificate of registration to the director who shall cancel the registration, endorse the date of expiration, termination or surrender on the certificate and shall, after a sixty-day period from the date of delivery or after all claims made against the registrant have been satisfied or settled, surrender the registrant's bond and so notify the surety on the bond.

If a certificate of registration is lost, misplaced or destroyed, the registrant shall file an affidavit to that effect and the director shall issue a replacement certificate, clearly identified as such on the certificate and in the records of the director.

Section 6. The director shall keep on file in convenient form and open to public inspection, all applications for registration and copies of certificates of registration issued and shall annually publish a list of names and addresses of all motor vehicle repair shops registered by him, and the names of all persons whose registration has been revoked, suspended or surrendered during the period and the specific time for which such suspension, revocation or surrender became effective.

Section 7. Every registered motor vehicle repair shop shall publicly display in its place of business its current certificate of registration. No unregistered motor vehicle repair shop shall display in its place of business any certificate of registration or copy or facsimile of a certificate of registration, nor shall it in any manner state that it is, or hold itself out to be, a registered motor vehicle repair shop.

No unregistered motor vehicle repair shop shall undertake any repair of a motor vehicle without first giving notice to the owner of the motor vehicle, in writing, that it is an unregistered motor vehicle repair shop, that any repairs which it performs cannot be paid for by any motor vehicle insurer in the commonwealth, and that the owner of the vehicle can remove the vehicle from the premises of the unregistered motor vehicle repair shop within six business days after actual receipt of such notice without payment of any storage, repair or other charges to the unregistered motor vehicle repair shop. Any unregistered motor vehicle repair shop which fails to give such notice, timely and in writing, shall not have a lien on the motor vehicle for any charges claimed to be due it for storage, work and care in connection with any repair of the motor vehicle, notwithstanding the provisions of section twenty-five of chapter two hundred and fifty-five, nor shall it have any right claim or cause of action to collect any such charges from any person, whether in contract or quantum meruit or otherwise, notwithstanding any other law to the contrary.

Section 8. No registered motor vehicle repair shop or other person shall:

(a) advertise for motor vehicle repair in the commonwealth without including either the number of its certificate of registration issued by the director or the words "unregistered repair shop", as a part of the advertisement;

(b) with respect to any repair paid for in whole or in part by an insurer, fail to charge all or any part of the applicable deductible to be paid by the insured, or give any rebate, gift, prize, premium, bonus, fee or any other monetary or tangible thing to the insured or any other person not in the employ of the repair shop as an inducement to have the repair made at the repair shop; (c) charge or offer to charge a higher rate or discount for an insured repair than for an uninsured repair; (d) make any false or fraudulent statement in connection with any repair or attempt to collect for a repair; (e) without lawful authority, prevent the owner of a motor vehicle from recovering the same.

Section 9. (a) Every registered or unregistered motor vehicle repair shop shall keep, or cause to be kept, in a book a proper record of every motor vehicle which enters and which leaves his place of business. A proper record shall include, but not be limited to, a description of the motor vehicle, the vehicle identification number, the date received, the name and residences of the person from and for whom the vehicle was received and a signed authorization for the work to be performed on said vehicle. Records shall also be kept of purchases of all major component parts, motor transmission, any body parts and parts for the interior. Records must be kept of all purchases made during at least the preceding eighteen months.

(b) Any registered shop whose business consists primarily of the changing and replacing of the fluids of a motor vehicle shall be exempt from keeping the record book referred to above, if and so long as the registered shop keeps adequate records of the repairs and services performed with respect to the motor vehicles which come into its custody.

(c) Said record book shall be kept in a convenient place, and along with the premises of the repair shop or body shop, may be inspected at any time by any city, state or federal law enforcement officer.

Section 10. Any person violating any of the provisions of this chapter may be punished by a fine of not more than one thousand dollars or by imprisonment for not more than six months, or both. Such fine may be imposed by the director, after hearing, or in a civil or criminal action brought by the attorney general. Violation of any of the provisions of this chapter shall constitute a violation of chapter ninety-three A.

SECTION 33. The first paragraph of section 113B of chapter 175 of the General Laws, as appearing in the 1986 Official Edition, is hereby amended by

striking out, in lines 1 and 2, the word "September" and inserting in place thereof the word:- December.

SECTION 34. Said first paragraph of said section 113B of said chapter 175, as so appearing, is hereby further amended by inserting after the fourth sentence the following sentence:- The commissioner shall direct the plan created under section one hundred and thirteen H to establish procedures for the implementation, monitoring and enforcement of programs to control costs and expenses identified by the commissioner in accordance with this paragraph, and shall report to the commissioner annually on the effectiveness of and the implementation by the various companies of the programs to control costs and expenses identified by the commissioner.

SECTION 35. Said section 113B of said chapter 175, as so appearing, is hereby amended by inserting after the first paragraph the following paragraph:-

In setting the claims frequency and cost trend and projection factors used to fix and establish classifications of risks and premium charges, the commissioner shall explicitly consider recent actual Massachusetts claims frequency, cost trend and loss data, and shall make express findings as to the claims frequency and cost trend and projection factors which such data would indicate for the respective coverages. He shall also consider such other evidence, argument and considerations as he finds credible and relevant. He shall justify the claims frequency and cost trend and projection factors which he uses with specific findings of fact and conclusions of law regarding all disputed material issues, and if the claims frequency, cost trend and projection factors which he uses materially deviate from the claims frequency, cost trend and projection factors derived from such recent Massachusetts data, he shall explicitly set forth the reasons therefor by making specific findings of fact and rulings, which shall justify such deviation and which shall be based on substantial evidence. For the purpose of evaluating any methodology proposed by a party to the rate hearing to be used for trending or projecting claims frequency or costs in setting the premium charges for the rate year in issue, if the commissioner makes specific findings that the same methodology was used in fixing and establishing premium charges in prior years in Massachusetts, a party may introduce into evidence the actual results caused by the use of that methodology in prior years.

SECTION 36. Said section 113B of said chapter 175, as so appearing, is hereby further amended by striking out the sixth and seventh paragraphs and inserting in place thereof the following paragraphs:-

In fixing and establishing classifications of risks, the commissioner may provide for appropriate reductions in the premium charges for the relevant coverages if he finds that vehicles are less damageable due to safety features incorporated into such vehicles or that the occupants of vehicles are less likely to suffer bodily injury due to safety features including, but not limited to, occupant crash protection devices, incorporated into such vehicles or that any optional policy provision will result in savings through reduced costs.

In fixing and establishing classifications of risks for comprehensive fire and theft coverage so-called to motor vehicles, the commissioner shall provide for appropriate reductions in the premium charges covering such vehicles if such vehicle is equipped with an anti-theft mechanism or device approved by the commissioner; provided that the commissioner shall establish a specific reduction of a minimum of twenty-five per cent in said premium charges for vehicles equipped with both an anti-theft mechanism or device and an auto recovery system.

In fixing and establishing classifications of risks for personal injury protection, uninsured and underinsured motorist protection, and medical payments coverages so-called, the commissioner shall provide for appropriate reductions in premium charges covering vehicles equipped with one or more air bags or a passive restraint device approved by the commissioner.

SECTION 37. Said section 113B of said chapter 175, as so appearing, is hereby further amended by inserting after the eighth paragraph the following paragraph:-

Said plan shall also take into consideration convictions reported to the registry of motor vehicles as the result of any compact entered into by the secretary of public safety for the exchange of information between states.

SECTION 38. Said section 113B of said chapter 175, as so appearing, is hereby amended by striking out the ninth and tenth paragraphs and inserting in place thereof the following three paragraphs:-

The safe driver insurance plan shall provide for a series of driver classifications based upon driving record which shall reflect individual driving experience. The plan shall provide for upward premium adjustments for drivers

who in the preceding five year period have accumulated three or more unsafe driver points based on one or more of the following surchargeable incidents: at-fault accidents, convictions of moving violations of motor vehicle laws, including payments pursuant to chapter ninety C and assignments to driver alcohol education programs under the provisions of section twenty-four D of chapter ninety, or any combination thereof, or four or more comprehensive claims totalling two thousand dollars or more unless fire, theft, comprehensive and collision coverages are not purchased by the insured. Pursuant to such plan the commissioner may place drivers who have accumulated fewer than three unsafe driver points, so-called, into classifications for which an upward premium adjustment is provided.

There shall be a downward premium adjustment called an excellent driver award. The adjustment shall apply to every driver with no surchargeable incidents within the five years immediately preceding the applicable rate year. There shall also be larger adjustments made for drivers with no surchargeable incidents over such longer period or periods as the commissioner shall determine, and there may be such smaller adjustments for drivers with no surchargeable incidents over such shorter period or periods as the commissioner shall determine. The commissioner shall establish both the number of classifications, the size of the premium adjustments and initial classification assignment; provided, however, that the plan shall be designed so that the decrease in aggregate premiums attributable to the downward adjustments within the plan equals the increase in aggregate premiums attributable to the upward adjustments in the plan. Insureds who have accumulated three or more unsafe driver points within the five years immediately preceding the applicable rate year shall be placed in classifications for which the upward premium adjustment is actuarially sound. Nothing in this section shall preclude the commissioner from also placing drivers who have accumulated fewer than three unsafe driver points, so-called, into classifications for which the upward premium adjustment is actuarially sound.

Upon receiving notification from said merit rating board that a driver has had five surchargeable incidents within the past three years, the registrar shall, after a hearing based solely on the accuracy of said merit rating board's records, require the said driver to participate in and complete a driver education program satisfactory to the registrar. If such driver fails to provide to the registrar proof of completion of such driver education pro-

gram within ninety days after the registrar mails to the driver notice of such requirement, the registrar shall suspend the driver's license or right to operate a motor vehicle until the registrar receives proof of completion of such driver education program.

SECTION 39. Clause (7) of subsection (A) of the third paragraph of section 113H of said chapter 175, as so appearing, is hereby amended by inserting after the word "coverage", in line 38, the words:- or the charging of rates at the discretion of the insurer,.

SECTION 40. Said clause (7) of said subsection (A) of said third paragraph of said section 113H of said chapter 175, as so appearing, is hereby further amended by striking out, in line 51, the word "or",- and by striking out, in line 56, the word "policy." and inserting in place thereof the following:- policy;

(v) comprehensive, fire and theft or collision coverage on a vehicle customarily driven, or owned by persons convicted one time within the most recent three year period of any category of driving while under the influence of alcohol or drugs;

(vi) comprehensive, fire and theft or collision coverage on any motor vehicle for which a salvage title has been issued by the registrar of motor vehicles unless a new certificate of title has been issued pursuant to section twenty D of chapter ninety D; or

(vii) comprehensive, fire and theft or collision coverage on a high-theft vehicle which does not have at least a minimum anti-theft or auto recovery device as prescribed by the commissioner of insurance. The commissioner may designate as a "high-theft vehicle" any vehicle, classified according to make, model and year of manufacture, which has both above-average incidence of theft and above-average original sales price, and may prescribe appropriate anti-theft or auto recovery devices for such vehicles.

SECTION 41. Subsection (C) of said section 113H of said chapter 175, as so appearing, is hereby amended by inserting after the second paragraph the following paragraph:-

The governing committee shall on or before March thirty-first, nineteen hundred and eighty-nine and thereafter not later than two years after such standards were most recently approved, prepare performance standards for the handling and payment of claims by the servicing carriers. Such standards shall be designed to ensure the speedy settlement of valid claims at the low-

est reasonable cost and the denial of fraudulent or otherwise invalid claims. Such performance standards shall be submitted to the commissioner of insurance who, after a public hearing, shall approve or modify such performance standards. The plan shall collect and maintain data on compliance with the performance standards by servicing carriers. Such information shall be reported annually to the commissioner of insurance and may be the basis for adjustments to premiums.

SECTION 42. Subsection (D) of said section 113H of said chapter 175, as so appearing, is hereby further amended by striking out the last paragraph and inserting in place thereof the following paragraph:-

The premium charges filed by or on behalf of the plan shall provide that such premium charges for all vehicles rated in accordance with the Massachusetts Private Passenger Automobile Insurance Manual and all other nonfleet private passenger vehicles shall not exceed the premium charges which would be used by each risk's servicing carrier for that risk if such risk were not insured in the plan. The premium charges filed by or on behalf of the plan may provide that such premium charges for any risk insured in the plan, other than vehicles rated in accordance with the Massachusetts Private Passenger Automobile Insurance Manual and all other nonfleet private passenger vehicles will exceed the premium charges that would be used by each risk's servicing carrier for that risk if such risk were not insured in the plan, provided, however, that such a filing shall go into effect only if approved by the commissioner and may be disapproved by the commissioner if he determines that it would produce rates or classifications that would be unfair or inconsistent with sound public policy.

SECTION 43. Subsection (E) of said section 113H of said chapter 175, as so appearing, is hereby amended by inserting after the seventh paragraph the following paragraph:-

In appointing a statistical agent, the commissioner shall require, in addition to all other duties and responsibilities, that the statistical agent oversee and conduct a closed claim study so-called. In addition to any other information that the commissioner may require, said study shall include the following: the number of claims filed in a particular year, the average property damage liability coverage claim for said year, the average collision claim for said year, the number of lawsuits filed in said year, the number and average dollar amount granted in court tried cases in said year, the number

and average dollar amount agreed upon in out of court settlements in said year, the average payment arising out of property damage in an out of court settlement and through a judicial decision, the number of multiple claims filed under the same vehicle over a three year period, the number of claims closed in said year, the number of claims closed without payment in said year and overall motor vehicle accident severity and frequency. Said study shall also include a report of the profits and losses, generated as the result of writing a private passenger motor vehicle insurance in the commonwealth, of each property and casualty company writing said coverage in the commonwealth.

SECTION 44. Said section 113H of said chapter 175 is hereby amended by adding the following paragraph:-

The plan shall adopt performance standards for claims handling and anti-fraud efforts, including but not limited to programs to control costs and expenses as described in section one hundred and thirteen B, for risks insured or reinsured by the plan. All insurers issuing policies insured or reinsured by the plan shall comply with said performance standards. The plan shall develop pre- and post-payment screening systems designed to identify claims overpayments, possible fraudulent claims, and inefficient claims handling practices. The plan shall provide for periodic audits of all members of the plan as required by the commissioner. The audit shall include policies not insured or reinsured by the plan in order to determine whether there is a difference in claims handling between policies insured voluntarily and those insured or reinsured by the plan. Noncompliance with said performance standards and audit requirements shall constitute a violation of the provisions of this chapter. The plan shall propose and the commissioner shall establish rules concerning the submission of data by insurers. Such rules shall include penalties for the late submission of data, the submission of faulty data, and the failure of insurers to comply with the express terms of audit requests. In addition, the plan shall provide for appropriate adjustments in the allocation of premiums, losses and expenses among companies for companies which do not meet such performance standards or which do not comply with said audit requirements. Such adjustments shall reflect excessive claims payments which result from said noncompliance.

SECTION 45. Section 113B of said chapter 175, as so appearing, is hereby further amended by inserting after the eleventh paragraph the following paragraph:-

In fixing and establishing classifications of risks, the commissioner shall establish a separate rate for coverage provided in paragraph (2) of section one hundred and thirteen L.

SECTION 46. Section 113L of said chapter 175 is hereby amended by striking out paragraphs (1) and (2) and inserting in place thereof the following two paragraphs:-

(1) No policy shall be issued or delivered in the commonwealth with respect to a motor vehicle, trailer or semitrailer registered in this state unless such policy provides coverage in amounts or limits prescribed for bodily injury or death for a liability policy under this chapter, under provisions approved by the insurance commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles, trailers or semitrailers and hit-and-run motor vehicles because of bodily injury, sickness or disease, including death resulting therefrom; and, subject to the terms and conditions of such coverage, such coverage shall include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency.

(2) For the purpose of said coverage, if the policyholder or obligor elects to purchase the coverage described in this paragraph, the term "uninsured motor vehicle" shall also include protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of insured motor vehicles, trailers or semitrailers, to which a bodily injury liability bond or policy applies at the time of the accident and its bodily injury liability bond amount or policy limit is less than the policy limit for uninsured motor vehicle coverage and is insufficient to satisfy the damages of persons insured thereunder and only to the extent that the uninsured motor vehicle coverage limits exceed said limits of bodily injury liability subject to the terms of the policy. The policyholder or obligor shall be notified that he may elect to purchase the said coverage, and such notification shall be at such times and in a manner prescribed by the commissioner of insurance.

SECTION 47. Said section 113L of said chapter 175, as so appearing, is hereby further amended by adding the following paragraph:-

(5) Uninsured motorists coverage shall provide that regardless of the number of vehicles involved, whether insured or not, persons covered, claims made, premiums paid or the number of premiums shown on the policy, in no event

shall the limit of liability for two or more vehicles or two or more policies be added together combined or stacked to determine the limits of insurance coverage available to injured persons. An insured who is not a named insured on any policy providing uninsured motorist coverage may recover only from the policy of a resident relative providing the highest limits of such coverage whether or not such vehicle was involved in the accident; provided, however, if there are two or more such policies which provide such coverage at the same limits a pro rata contribution will be made. Any injured occupants who are not named insureds on a policy and who are not insured on a resident relative's policy may obtain uninsured motorist coverage from the named insured's policy covering the vehicle they occupy when injured. A person who is a named insured and who suffers bodily injury or death:

(a) while occupying a nonowned motor vehicle registered for highway use may recover only from the policy providing the highest limits of uninsured motorist coverage on which such person is the named insured, provided, however, if there are two or more such policies which provide such coverage at the same limits a pro rata contribution will be made;

(b) while occupying an owned motor vehicle registered for highway use and which had in effect the coverage required by this section shall recover uninsured motorist coverage only from the policy covering such occupied vehicle, provided, however, if there are two or more such policies, a pro rata contribution will be made. An insured who suffers bodily injury or death while occupying a motor vehicle owned by that insured which is registered for highway use and does not have in effect the coverage required by section thirty-four A of chapter ninety may not recover uninsured motorist coverage from any policy. No uninsured motorist coverage shall apply from any policy if a named insured suffers bodily injury or death while occupying an owned motor vehicle registered for highway use being used at the time as a public or livery conveyance and which is not insured for uninsured motorist coverage.

SECTION 48. Section 113 O of said chapter 175, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- Insurers shall also make available additional coverage whereby the deductible of five hundred dollars is reduced to three hundred dollars, except that an insurer may refuse to issue such optional additional coverage on the basis of claims paid, provided that no insurer may refuse to issue such optional additional coverage because of age, sex, race, occupation or principal place of garaging of the vehicle.

SECTION 49. Said section 113 O of said chapter 175, as so appearing, is hereby further amended by inserting after the second sentence the following sentence:- The charge for said additional coverage shall not exceed the actuarial cost of reducing the deductible from five hundred dollars to three hundred dollars.

SECTION 50. The first paragraph of said section 113 O of said chapter 175, as so appearing, is hereby amended by striking out the third sentence and inserting in place thereof the following sentence:- Notwithstanding the foregoing, insurers shall also make available, at the option of the policyholder, a one hundred dollar deductible applicable to damage to glass of any motor vehicle covered under the comprehensive coverage.

SECTION 51. Said section 113 O of said chapter 175, as so appearing, is hereby further amended by striking out the second paragraph and inserting in place thereof the following three paragraphs:-

No insurer shall make any payments to the insured under a policy providing fire and theft coverage or comprehensive coverage, so called, unless it has received a claim form from the insured stating that the repair work described in an appraisal made pursuant to regulations promulgated by the auto damage appraiser licensing board has been completed, except for payments made in accordance with a plan filed and approved pursuant to the following paragraph. In any case, where the insurer fails to make payment within seven days of receipt of the above claim form, the insured may commence a civil action for payments claimed to be due. If the court determines that the insurer was unreasonable in refusing to pay said insured's claim, the claimant shall be entitled to recover double the amount of damage plus costs and reasonable attorneys' fees fixed by the court. If such claim form is not received by the insurer, the insurer shall pay to the insured only the decrease in actual value of the insured vehicle less any deductible. If the insured elects not to repair the vehicle, or if the insurer does not receive a claim form from the insured stating that the repair work has been completed, the insurer shall decrease the actual cash value of the insured vehicle by the amount of damage sustained.

Notwithstanding the second paragraph or any other general or special law to the contrary, an insurer may file a plan for approval by the commissioner providing for direct payment by the insurer to the insured for the loss of or damage to the insured motor vehicle under fire and theft coverage or compre-

hensive coverage, so called, prior to receipt by the insurer of a claim form from the insured stating that the repair work described in an appraisal made pursuant to regulations promulgated by the auto damage appraisers licensing board has been completed. Such plan shall not be approved unless it: (a) provides for a procedure acceptable to the commissioner to resolve any dispute between the insured and the insurer as to the adequacy of the payment; (b) provides for adequate disclosure to the insured of his or her rights hereunder; and (c) contains such other terms and conditions as the commissioner shall prescribe. The commissioner may revoke approval for such a plan if he determines that the insurer is not complying with its terms or that the plan does not carry out the purposes of this section. If an insured under fire and theft coverage or comprehensive coverage, so called, elects not to repair an insured vehicle for which a claim payment has been made under one of said coverage or if the insurer does not receive a claim form from the insured certifying that the repair work has been done in accordance with an appraisal made pursuant to regulations promulgated by the auto damage appraisers licensing board, then the insurer and any successor insurer shall decrease the actual cash value of the insured vehicle by the amount of the claim payment plus any applicable deductible until such time as the insurer or any successor insurer receives a claim form with the certification described above; provided, however, that for at least seventy-five per cent of those claims where the appraisal indicates that the cost of repairs will exceed four thousand dollars and at least twenty-five per cent of those claims where the appraisal indicates that the cost of repairs will be four thousand dollars or less, a licensed auto damage appraiser shall reinspect the vehicle following completion of repairs and shall certify on the claim form that the work has been completed in accordance with an appraisal made pursuant to said regulations. The commissioner shall hold a hearing prior to approval of any such plan or plans. The commissioner may promulgate such rules and regulations as he deems necessary for the implementation of this paragraph.

The commissioner may require any plan filed pursuant to the preceding paragraph to provide (a) that the insured will be given a list of at least five repair shops, geographically convenient for the insured, from which the insured may at his or her option select a shop which will without undue delay complete the repair work for the amount of the payment to the insured, plus any applicable deductible, that the insurer will guarantee the quality of the

materials and workmanship used in making repairs if the repairs are performed at one of the repair shops so listed.

(b) that in no event shall the selection of vehicles for reinspection be based on the age or sex of the policyholder or of the customary operators of the vehicle, or on the principal place of garaging the vehicle; and

(c) that no insurer or appraiser shall require that repairs to any motor vehicle be made at any specific repair shop, or list of repair shops; and

(d) that in determining which repair shops will be listed as described above, the insurer shall consider only the quality and cost of repairs at a particular shop, the quality of the service given the customer, the responsiveness of the shop to customers' needs, the ability of the shop to perform repairs without undue delay, the geographic convenience of the shop for the insured, cooperation of the shop with pre- and post-repair inspections, and the shop's compliance with applicable laws and regulations. A repair shop shall be included on the list prepared by the insurer if the shop agrees in writing to comply in full with the plan filed by the insurer and approved by the commissioner. An insurer may strike a shop from the list provided it files a statement with the commissioner specifying the nature of the shop's failure to comply with the plan. Such plan shall include a fair and adequate procedure for relief for repair shops improperly stricken from such list; and

(e) no employee or agent of an insurer with responsibility for creating, managing or maintaining a list of repair shops as described above shall receive or ask for any payment, gift or other thing of value from any repair shop included, or seeking to be included, in the said list of repair shops, and no repair shop, or employee or owner thereof, shall give, pay or offer to give or pay any money or thing of value to any employee or agent of an insurer with responsibility for creating, managing or maintaining a list of repair shops. No repair shop, or employee, owner or agent thereof, shall give or pay, or offer to give or pay, any thing of value to any person in exchange for being included, or as an inducement to be included, on such a list of repair shops. For purposes of this paragraph, the words "employee", "owner" and "agent" shall also include any spouse or child of an employee, owner or agent. Violation of the provision of this paragraph may be grounds for revocation or suspension of any certificate of registration or license held pursuant to chapter one hundred A or this chapter.

SECTION 52. The third paragraph of said section 113 O of said chapter 175, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- Insurers shall report the theft or misappropriation of a motor vehicle, including the vehicle identification number and such other information as may be required, to a central organization engaged in motor vehicle loss prevention, as designated by the commissioner, and the National Automobile Theft Bureau or its successor organization, in accordance with the regulations promulgated by the commissioner.

SECTION 53. Said chapter 175 is hereby further amended by inserting after section 113R the following two sections:-

Section 113S. (a) For purposes of this section, "existing customer" shall mean an applicant for a motor vehicle liability policy who has been insured for three years or longer without interruption under a motor vehicle liability policy or policies issued by the insurer to which the applicant's application is submitted.

(b) A motor vehicle liability policy shall not provide fire and theft coverage or comprehensive coverage, so-called, or collision or limited collision coverage for a private passenger motor vehicle prior to an inspection of that motor vehicle by the insurer, unless:

(1) the motor vehicle is new;

(2) the applicant for such coverage is an existing customer of the insurer;

(3) the motor vehicle is already insured for such coverages with the insurer by the applicant; or

(4) as provided in paragraph (2) of subsection (c).

(c) The commissioner shall promulgate regulations which shall:

(1) provide that insurers shall offer inspection at locations and at times reasonably convenient to the insured. Where an inspection is required pursuant to this section, it shall be conducted by the insurer or its authorized representative and shall be recorded on a form prescribed by the commissioner. Such form shall be retained by the insurer with its policy records for the insured and a copy of such form shall be made available to the insured upon request.

(2) provide that the inspections required in this section shall be waived under circumstances specified in the regulation. Such circumstances may include, but are not limited to:

(i) When requiring an inspection would cause a serious hardship to the insurer, the insured or an applicant for insurance;

(ii) When the insurer has no inspection facility or authorized representative either in the city or town in which the motor vehicle is principally garaged or within five miles of the said city or town.

(3) provide that such inspections shall include at least the following:

(i) taking a physical imprint of the vehicle identification number of the vehicle or otherwise record the vehicle identification number in a manner satisfactory to the commissioner;

(ii) taking two color photographs of the car at angles which show the front, back and side of the vehicle;

(iii) recording the presence of such accessories as the commissioner shall designate; and

(iv) recording the location of and a description of existing damage to the vehicle.

(d) A motor vehicle liability policy shall not provide fire and theft coverage or comprehensive coverage, so-called, or collision or limited collision coverage for any motor vehicle for which a salvage certificate has been issued by the registrar of motor vehicles, unless a new certificate of title has been issued pursuant to section twenty D of chapter ninety D. Notwithstanding the foregoing, any insurer, authorized to issue motor vehicle liability policies may, but shall not be compelled to, issue a special policy or endorsement providing fire and theft coverage and/or comprehensive coverage, so-called, or collision or limited collision coverage for any motor vehicle having a salvage title, on such terms and conditions and subject to such inspections as the insurer shall require.

Section 113T. Notwithstanding the provisions of section eight G of chapter twenty-six, a motor vehicle liability policy may, upon approval by the commissioner and by endorsement prescribed by the commissioner, include coverage, at the insured's option, pursuant to which the insurer will repair damage to insured motor vehicles, in accordance with collision or limited collision coverage provided under section thirty-four O of chapter ninety or comprehensive coverage provided under sections one hundred and thirteen C and one hundred and thirteen O of this chapter, at participating repair shops. One or more registered automobile damage repair shops may contract with an insurer or insurers as a participating repair shop to repair damage to insured motor ve-

hicles covered under a participating repair shop endorsement. An insurance company offering a participating repair shop endorsement shall provide an appropriate reduction in the premium charges for such coverages, which shall be subject to approval by the commissioner, and such company shall provide any information in support of its reduction as may be required by the commissioner. The commissioner shall have authority to promulgate such rules and regulations as he deems necessary for the implementation of this section. Such rules and regulations may include, but need not be limited to, procedures for approval of such coverages, and standards to ensure that the endorsement will be offered in a nondiscriminatory manner, that the service will be convenient to insureds, and that the repairs will be of comparable quality to those made by non-participating repair shops. Nothing in this section shall be deemed to compel an insurer to offer participating repair shop coverage.

The commissioner shall file said plan as well as such rules as he deems necessary for implementation of the plan with the clerk of the house of representatives on or before September first, nineteen hundred and eighty-nine. The clerk of the house of representatives, with the approval of the president of the senate and the speaker of the house of representatives, shall refer such regulations to the joint committee on insurance within thirty days of such referral, said committee may hold a public hearing on the regulations and shall issue a report to the commissioner. Said commissioner shall review said report and shall adopt final regulations as deemed appropriate in view of said report and said regulations shall take effect as of the first of January, nineteen hundred and ninety.

SECTION 54. Chapter 175E of the General Laws is hereby amended by inserting after section 11 the following section:-

Section 11A. Insurance companies or their agents shall disclose in simple language to every person they insure or solicit for insurance that person's coverage options, including the option to exclude oneself and members of one's household from personal injury protection coverage, so-called. The commissioner shall prescribe the form, content, and timing of said disclosures.

SECTION 55. Section 6D of chapter 231 of the General Laws, as appearing in the 1986 Official Edition, is hereby amended by striking out, in line 10, the words "five hundred" and inserting in place thereof the words:- two thousand.

SECTION 56. Section 27A of chapter 266 of the General Laws, as so appearing, is hereby amended by inserting after the word "year", in line 6, the words:- or by a fine of not more than fifteen thousand dollars, or by both such fine and imprisonment.

SECTION 57. Said section 27A of said chapter 266, as so appearing, is hereby further amended by striking out the second, third, fourth, fifth and sixth paragraphs and inserting in place thereof the following three paragraphs:-

The court shall, after conviction, conduct an evidentiary hearing to ascertain the extent of the damages or financial loss suffered as a result of the defendant's crime. A person found guilty of violating this section shall, in all cases, upon conviction, in addition to any other punishment, be ordered to make restitution to the insurer for any financial loss sustained as a result of the commission of the crime; provided, however, that restitution shall not be ordered to a party whom the court determines to be aggrieved without that party's consent. Restitution shall be imposed in addition to incarceration or fine, and not in lieu thereof; provided, however, the court shall consider the defendant's present and future ability to pay in its determinations regarding a fine; provided, further, that, whenever possible subject to the constraints of this paragraph and the preceding paragraph, the amount of a fine imposed for a violation of this section shall equal twice the amount of damages or financial loss suffered as a result of the defendant's crime.

In determining the amount, time and method of payment of restitution, the court shall consider the financial resources of the defendant and the burden restitution will impose on the defendant. Upon a real or impending change in financial circumstances, a defendant ordered to pay restitution may petition the court for a modification of the amount, time or method of payment of restitution. If the court finds that because of any such change the payment of restitution will impose an undue financial hardship on the defendant or his family, the court may modify the amount, time or method of payment, but may not grant complete remission from payment of restitution.

If a defendant who is required to make restitution defaults in any payment of restitution or installment thereof, the court shall hold him in contempt unless said defendant has made a good faith effort to pay such restitution. If said defendant has made a good faith effort to pay such restitution, the court may modify the amount, time or method of payment, but may not grant complete remission from payment of restitution.

SECTION 58. Subdivision (a) of section 28 of said chapter 266, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

Whoever steals a motor vehicle or trailer, whoever maliciously damages a motor vehicle or trailer, whoever buys, receives, possesses, conceals, or obtains control of a motor vehicle or trailer, knowing or having reason to know the same to have been stolen, or whoever takes a motor vehicle without the authority of the owner and steals from it any of its parts or accessories, shall be punished by imprisonment in the state prison for not more than fifteen years or by imprisonment in a jail or house of correction for not more than two and one-half years or by a fine of not more than fifteen thousand dollars, or by both such fine and imprisonment.

SECTION 59. Section 29 of said chapter 266, as so appearing, is hereby amended by striking out the third, fourth, fifth, sixth and seventh paragraphs and inserting in place thereof the following three paragraphs:-

The court shall, after a defendant is convicted of a violation of subsection (a) of section twenty-eight, conduct an evidentiary hearing to ascertain the extent of the damages or financial loss suffered as a result of the defendant's crime. A person found guilty of violating subsection (a) of section twenty-eight shall in all cases, upon conviction, in addition to any other punishment, be ordered to make restitution to the insurer for any financial loss sustained as a result of the commission of the crime; provided, however, that restitution shall not be ordered to a party whom the court determines to be aggrieved without that party's consent. Restitution shall be imposed in addition to incarceration or fine, and not in lieu thereof; provided, however, the court shall consider the defendant's present and future ability to pay in its determinations regarding a fine; provided, further, that, whenever possible subject to the constraints of this paragraph and the first paragraph of said subsection (a) of section twenty-eight, the amount of a fine imposed for a violation of said subsection (a) of section twenty-eight shall equal twice the amount of damages or financial loss suffered as a result of the defendant's crime.

In determining the amount, time and method of payment of restitution, the court shall consider the financial resources of the defendant and the burden restitution will impose on the defendant. Upon a real or impending change in financial circumstances, a defendant ordered to pay restitution may petition

the court for a modification of the amount, time or method of payment of restitution. If the court finds that because of any such change the payment of restitution will impose an undue financial hardship on the defendant or his family, the court may modify the amount, time or method of payment, but may not grant complete remission from payment of restitution.

If a defendant who is required to make restitution defaults in any payment of restitution or installment thereof, the court shall hold him in contempt unless said defendant has made a good faith effort to pay such restitution. If said defendant has made a good faith effort to pay such restitution, the court may modify the amount, time or method of payment, but may not grant complete remission from payment of restitution.

SECTION 60. Said chapter 266 is hereby further amended by striking out section 111B, as so appearing, and inserting in place thereof the following section:-

Section 111B. Whoever, in connection with or in support of any application for or claim under any motor vehicle, theft or comprehensive insurance policy issued by an insurer, and with intent to injure, defraud or deceive such insurer knowingly presents to it, or aids or abets in or procures the presentation to it of, any notice, statement, or proof of loss, whether or not the same is under oath or is required or authorized by law or the terms of such policy, knowing that such notice, statement or proof of loss contains any false or fraudulent statement or representation of any fact or thing material to such application or claim, shall be punished by imprisonment in a jail or house of correction for not less than six months nor more than two and one-half years or by a fine of not less than one thousand nor more than four thousand dollars, or both.

A person licensed as a motor vehicle damage appraiser pursuant to section eight G of chapter twenty-six or registered as a motor vehicle repair shop pursuant to chapter one hundred A who violates this section, by fraudulently inflating an appraisal of damage to a motor vehicle or the charges for repairing a damaged motor vehicle or otherwise, shall be punished by the additional penalty of revocation of such license or registration for a period not to exceed two years.

The court shall, after conviction, conduct an evidentiary hearing to ascertain the extent of the damages or financial loss suffered as a result of the defendant's crime. A person found guilty of violating this section shall,

in all cases, upon conviction, in addition to any other punishment, be ordered to make restitution to the insurer for any financial loss sustained as a result of the commission of the crime; provided, however, that restitution shall not be ordered to a party whom the court determines to be aggrieved without that party's consent. Restitution shall be imposed in addition to incarceration or fine, and not in lieu thereof; provided, however, the court shall consider the defendant's present and future ability to pay in its determinations regarding a fine; provided, further, that, whenever possible subject to the constraints of this paragraph and the first paragraph of this section, the amount of a fine imposed for a violation of this section shall equal twice the amount of damages or financial loss suffered as a result of the defendant's crime.

In determining the amount, time and method of payment of restitution, the court shall consider the financial resources of the defendant and the burden restitution will impose on the defendant. Upon a real or impending change in financial circumstances, a defendant ordered to pay restitution may petition the court for a modification of the amount, time or method of payment of restitution. If the court finds that because of any such change the payment of restitution will impose an undue financial hardship on the defendant or his family, the court may modify the amount, time or method of payment, but may not grant complete remission from payment of restitution.

If a defendant who is required to make restitution defaults in any payment of restitution or installment thereof, the court shall hold him in contempt unless said defendant has made a good faith effort to pay such restitution. If said defendant has made a good faith effort to pay such restitution, the court may modify the amount, time or method of payment, but may not grant complete remission from payment of restitution.

SECTION 61. Section 2 of chapter 280 of the General Laws, as so appearing, is hereby amended by striking out the second paragraph and inserting in place thereof the following paragraph:-

Fines imposed under the provisions of chapters eighty-nine and ninety, including fines, penalties and assessments imposed under the provisions of chapter ninety C for the violation of the provisions of chapters eighty-nine and ninety, fines assessed by a hearing officer of a city or town as defined in sections twenty A and twenty A 1/2 of chapter ninety and forfeitures imposed under the provisions of section one hundred and forty-one of chapter one hun-

dred and forty, shall be paid over to the treasury of the city or town wherein the offense was committed; provided, however, that only fifty per cent of the amount of fines, penalties and assessments collected for violations of section seventeen of chapter ninety or of a special speed regulation lawfully made under the authority of section eighteen of said chapter ninety shall be paid over to the treasury of the city or town wherein the offense was committed and the remaining fifty per cent shall be paid over to the state treasurer and credited to the Highway Fund.

SECTION 62. Notwithstanding any general or special law to the contrary, the registrar of motor vehicles shall establish a one year priority, special strike force in the registry to work with local communities to remove uninsured vehicles from Massachusetts roads for the purpose of implementing chapter eight hundred and six of the acts of nineteen hundred and eighty-five. The strike force shall be required to report the results in numbers of the implementation of chapter eight hundred and six to the clerk of the house of representatives who shall forward the same to the joint committee on insurance and to the house and senate ways and means committees on or before January first, nineteen hundred and ninety and quarterly reports thereafter. Said strike force shall take effect no later than July first, nineteen hundred and eighty-nine.

In addition to any other duties, the strike force shall assist municipalities in implementing the statute on the local level and provide whatever information and assistance necessary thereto.

SECTION 63. The secretary of public safety is hereby authorized to expend an amount not to exceed twenty-five thousand dollars of revenues collected from the auto etching program, so called, for purposes of continuing the auto etching program; provided, that a minimum fee of ten dollars shall be charged per automobile for services rendered.

SECTION 64. The secretary of consumer affairs and business regulation shall establish a Massachusetts automobile insurance public education program, which shall have as its goals the development of increased awareness by Massachusetts consumers of their options, rights and obligations under our automobile insurance system; the promotion of consumer behavior which will result in cost savings in automobile insurance; the provision of information to consumers, insurers and insurance producers, automobile body and glass repair shops, attorneys, the judiciary, law enforcement agencies and other groups, to foster

increased understanding of automobile insurance facts and issues and to reduce unnecessary or invalid claims and costs. Such program shall include production and distribution of pamphlets, in understandable language, explaining consumer options, rights and obligations under the automobile insurance system, and it may include use of the media or direct mailing, as appropriate, to provide education and information to the public or to various groups, cooperation with existing educational activities to develop educational programs in common, development of educational presentations, videos, public service announcements and programs, or such other public education activities as the secretary shall determine.

The secretary of consumer affairs and business regulation is hereby authorized to make an assessment against the plan organized pursuant to section one hundred and thirteen H of chapter one hundred and seventy-five of the General Laws to pay for the expenses of the Massachusetts automobile insurance public education program. Said assessment shall be made at a rate sufficient to produce one hundred thousand dollars in each of fiscal years nineteen hundred and eighty-nine and nineteen hundred and ninety; provided, however, that if the secretary of consumer affairs and business regulation shall fail to expend for the costs and expenses of the Massachusetts automobile insurance public education program in fiscal year nineteen hundred and eighty-nine the total amount of one hundred thousand dollars for the purposes set forth in this section, the amount unexpended in such fiscal year shall be credited against the assessment to be made in the following year, and the assessment in the following year shall be reduced by such unexpended amount. Assessments under this section may be credited to the normal operating costs of the said plan. The funds produced by said assessments shall be expended by the secretary of consumer affairs and business regulation, in addition to any other funds which may be appropriated, to assist in defraying the general operating expenses of the Massachusetts automobile insurance public education program, and may be used to compensate consultants retained by the program. The assessments shall be collected by the secretary of consumer affairs and business regulation, and the said plan shall pay the amount assessed against it within thirty days after the date of the notice of assessment from the secretary.

SECTION 65. The commissioner of insurance is hereby directed to undertake a study, in consultation with representatives of the property and casualty industry and of the independent insurance agents, of the feasibility and of the

financial and administrative impact of permitting insurance companies to offer, as a coverage option, a deductible on the existing optional bodily injury to others coverage. Said commissioner shall report to the general court the results of its investigation and study and its recommendations, if any, together with drafts of legislation to the clerk of the house of representatives who shall forward the same to the joint committee on insurance and the house and senate committees on ways and means by the first of July, nineteen hundred and eighty-nine.

SECTION 66. Notwithstanding the provisions of section one hundred and thirteen H of chapter one hundred and seventy-five of the General Laws, the commissioner of insurance, in consultation with the governing committee of the current plan, representatives of property and casualty insurance companies undertaking to issue motor vehicle liability policies or bonds as defined in section thirty-four A of chapter ninety of the General Laws, representatives from associations of insurance producers and other parties he may request, shall develop for implementation a revision of the plan established pursuant to section one hundred and thirteen H of chapter one hundred and seventy-five of the General Laws which shall provide motor vehicle liability insurance to applicants who have been unable to obtain insurance through the method by which insurance is voluntarily made available. Such revision shall provide for the fair and equitable apportionment among such insurance companies of the losses, risks, premiums and expenses associated with providing coverage to such applicants. Such revision shall have the effect of decreasing the number of ceded policies and enhancing cost containment by participating companies.

Such revision may include but need not be limited to: criteria regulating the conditions under which policies may be ceded; specific limitations upon the percentage of a company's insureds which may be ceded; specific limitations upon the percentage of any individual risk which may be reinsured through the plan; provisions for the removal of policies from the plan based upon excellent driving records; cession penalties or charges, to reflect the cost of the plan's cost containment and anti-fraud programs; the administration and finance of the plan; a provision which allows the commissioner to require the participation of all companies as servicing carriers; and such other terms and conditions as the commissioner may prescribe.

The commissioner shall file said plan as well as such rules as he deems necessary for implementation of the plan with the clerk of the house of repre-

sentatives, on or before September first, nineteen hundred and eighty-nine. The clerk of the house of representatives, with the approval of the president of the senate and the speaker of the house of representatives shall refer such regulations to the joint committee on insurance. Within thirty days of such referral, said committee may hold a public hearing on the regulations and shall issue a report to the commissioner. Said commissioner shall review said report and shall adopt final regulations as deemed appropriate in view of said report and said regulations shall take effect as of the first of January, nineteen hundred and ninety.

SECTION 67. That a special commission to consist of three senators, five members of the house of representatives, the commissioner of public safety or his designee, the registrar of motor vehicles or his designee, and three persons to be appointed by the governor, one of whom shall be a driver school owner, and one of whom shall be a driver school instructor, shall be established for the purpose of examining, but not be limited to, driver education training.

Said commission shall make recommendations to the registry and any other appropriate entity for the purpose of rewriting the rules and regulations of all driver education programs; including in-class and behind-the-wheel training, and for establishing within the registry of motor vehicles a driver school instructor training program.

Said commission shall make recommendations to the registry or any other appropriate entity for the annual conduction of on-site inspections of all driver education schools for re-certification purposes.

Said commission shall make its reports, recommendations, and findings to the clerk of the house of representatives who shall forward the same to the joint legislative committee on insurance and the joint legislative committee on public safety on or before March first, nineteen hundred and eighty-nine.

SECTION 68. The commissioner of insurance is hereby directed to undertake a study of the direct pay and referral systems instituted by sections twenty-four and fifty-one of this act. In particular the commissioner shall examine the implementation of the direct pay and referral systems and their financial impact on consumers, on body shop owners, and on the system as a whole, including cost savings attributable thereto in the rate making process. Said commissioner shall report to the general court the results of its investigation and study and its recommendations, if any, together with drafts of legis-

lation to the clerk of the house of representatives who shall forward the same to the joint committee on insurance and the house and senate committees on ways and means by the first of January, nineteen hundred and ninety-two.

SECTION 69. There is hereby established a special commission to make an investigation and study of the rules, regulations, plans of operation and laws relating to the system of automobile insurance in the commonwealth. The commission shall be chaired jointly by the house and senate chairs of the joint committee on insurance, and shall consist of three additional members of the house, to be appointed by the speaker of the house, three additional members of the senate, to be appointed by the president of the senate, the secretary of consumer affairs or his designee, the commissioner of insurance or his designee, the attorney general or his designee, and six members to be appointed by the governor, one of whom shall be a member of the property and casualty insurance industry, one of whom shall be a representative of the insurance agents, one of whom shall be a representative of the autobody industry, one of whom shall be a practicing attorney with expertise in the area of automobile liability insurance, and two of whom shall be representatives of automobile insurance consumers.

The commission shall consider generally the fairness, efficiency, and workability of the present system of automobile insurance in the commonwealth, and shall explicitly consider, among others that it deems relevant, the following issues:

- The feasibility of deregulating private passenger motor vehicles rates and establishing in its place a system of partially or fully competitive rates;

- The feasibility and potential effects on rate levels of a plan to establish a system of flex rating, so-called;

- The accuracy and efficiency of the existing rate making process, and what procedural improvements could be undertaken to improve the accuracy and fairness of said process;

- The differences in average cost of repair for different makes and models of automobiles, and whether differences in average cost of repair for different makes and models could be incorporated into the rate making process with respect to collision and comprehensive coverages;

- The differences in average cost of repair resulting from (1) variations in labor rates, labor times, parts prices, discounts on parts prices, and

storage and towing costs; and (2) the use of rebuilt parts, used parts, and so-called non-OEM parts;

- The causes of auto theft claim frequency and of auto collision claim frequency, and what measures could be taken to reduce the incidence of such claim frequencies;

- The accuracy and fairness of the existing territorial system, and in particular, how territorial boundaries are drawn, how weights are assigned to each territory, whether different boundaries and classifications could more accurately reflect the driving experience within each territory, and the potential implementation and impact of a territorial system within which the premium charges established in each territory would be actuarially sound;

- The feasibility and legality of prohibiting retroactive premiums or of rescinding retroactive premiums after they have been authorized by the commissioner of insurance; and,

- The effectiveness of cost containment incentives in both the voluntary and involuntary market, so called, and what measures could be undertaken to improve cost containment in both markets.

The commission shall file the results of its investigation and study, along with drafts of legislation, if any, and a plan for the implementation of any recommendations, with the clerk of the house, the clerk of the senate, and the joint committee on insurance no later than the fifteenth of October, nineteen hundred and eighty-nine.

SECTION 70. With respect to private passenger motor vehicle insurance policies issued or renewed in nineteen hundred and eighty-nine, insurers shall provide every purchaser of such policies with a notice of the changes in the law governing underinsured and uninsured motorist coverages pursuant to section forty-six hereof. The form and content of such notice shall be prescribed by the commissioner, provided that, without limitation, such notice shall specifically inform the purchaser that unless the purchaser affirmatively elects underinsured coverage as provided for in paragraph (2) of section one hundred and thirteen L of chapter one hundred and seventy-five of the General Laws, as amended by section forty-six hereof, his policy will not provide it. For holders or obligors of policies issued or renewed in nineteen hundred and eighty-eight who renew those policies in nineteen hundred and eighty-nine, notwithstanding the provisions of section forty-six hereof, uninsured coverage under the nineteen hundred and eighty-nine policy will continue to include

underinsured coverage in the same policy limit as the policyholder or obligor had at the end of the policy, but subject to all other provisions of said paragraph (2) as amended, until two weeks after the mailing of the notice prescribed herein to the policyholder or obligor, unless at some earlier time the policyholder or obligor selects other limits or elects not to purchase such coverage; provided, that this sentence shall not apply: (1) to any policy issued or renewed twenty-one days or more after the date such notice is mailed to the policyholder or obligor; (2) to any policy which is not a renewal of a nineteen hundred and eighty-eight policy; or (3) to any policy issued or renewed after April thirtieth, nineteen hundred and eighty-nine.

SECTION 71. The commissioner of insurance is directed to undertake a study, in consultation with representatives of the property casualty industry, the independent insurance agents and such other parties as he may request, of the coverage selection page, so-called, and shall, prior to January first, nineteen hundred and ninety, issue a revised standard coverage selection page which will provide automobile insurance consumers with clear disclosure of the coverages available and the coverages selected including but not limited to underinsurance and optional increased bodily injury limits.

SECTION 72. Each year after nineteen hundred and ninety, the commissioner of insurance shall prepare a report on the effectiveness and adequacy of the tort threshold, so called, provided in section six D of chapter two hundred and thirty-one of the General Laws, and of the personal injury protection benefit provided in section thirty-four A of chapter ninety. Such report shall include, without limitation, a calculation of the affect of inflation on the tort threshold and personal injury protection benefit, the degree to which such threshold has or has not deterred or prevented minor motor vehicle personal injury claims from generating lawsuits, and whether such deterrence or prevention continues to be effective. The commissioner shall also include in said report his recommendations for any changes in or update of the laws applicable to the tort threshold and personal injury protection benefit. He shall file such report with the clerk of the house, the clerk of the senate, the joint committee on insurance and the house and senate committees on ways and means, no later than the first of September of each such year.

SECTION 73. Notwithstanding the provisions of any general or special law to the contrary, an amount not to exceed one million dollars of the fines collected pursuant to sections twenty-seven A, twenty-eight, twenty-nine and one

hundred and eleven B of chapter two hundred and sixty-six of the General Laws shall be payable to the governor's auto theft strike force.

SECTION 74. Each year after nineteen hundred and ninety, the commissioner of insurance shall prepare a report on the effectiveness and adequacy of the tort threshold, so called, provided in section six D of chapter two hundred and thirty-one of the General Laws, and of the personal injury protection benefit provided in section thirty-four A of chapter ninety of the General Laws. Such report shall include, without limitation, a calculation of the affect of inflation on the tort threshold and personal injury protection benefit, the degree to which such threshold has or has not deterred or prevented minor motor vehicle personal injury claims from generating lawsuits, and whether such deterrence or prevention continues to be effective. The commissioner shall also include in said report his recommendations for any changes in or update of the laws applicable to the tort threshold and personal injury protection benefit. He shall file such report with the clerk of the house, who shall forward the same to the joint committee on insurance and the house and senate committees on ways and means, no later than the first of September of each such year.

SECTION 74A. Pursuant to the first year after the effective date of this act, on or before January first, nineteen hundred and ninety the statistical agent as defined in section forty-three shall undertake a closed claim study, so-called, for the three years immediately prior to the effective date of this act. In each succeeding year after the effective date of this act the statistical agent shall conduct a closed claim study for the year immediately prior.

SECTION 75. Sections eleven and thirteen of this act shall take effect on January first, nineteen hundred and ninety-one.

SECTION 76. Sections twelve and fourteen of this act shall take effect on January first, nineteen hundred and ninety-three.

SECTION 77. Except as otherwise specifically provided in this act, this act shall take effect on the first of January, nineteen hundred and eighty-nine.

The provisions of sections fifteen, sixteen, and forty-seven of this act shall be effective for policies or contracts issued or renewed on or after the first of January, nineteen hundred and eighty-nine.

The provisions of section fifty-five shall be effective for causes of action arising on or after the first of January, nineteen hundred and eighty-

The provisions of section sixty-one shall be effective on the first of April, nineteen hundred and eighty-nine.

House of Representatives, November 3, 1988.

Preamble adopted,

*George Luernan*, Speaker.

In Senate, November 3, 1988.

Preamble adopted,

*William W. Bulger*, President.

House of Representatives, November 3, 1988.

Bill passed to be enacted,

*George Luernan*, Speaker.

In Senate, November 3, 1988.

Bill passed to be enacted,

*William W. Bulger*, President.

Nov. 5, 1988.

Approved,

at Eleven o'clock and 40 minutes, A. M.

*Earl J. Hylton*  
Acting Governor.



## THE COMMONWEALTH OF MASSACHUSETTS

*In the Year One Thousand Nine Hundred and Eighty-eight*

AN ACT RELATIVE TO CERTAIN RETIREMENT BENEFITS WHICH MAY BE PAID BY THE  
ATTLEBORO FIREFIGHTERS BENEFIT ASSOCIATION, INC.

*Be it enacted by the Senate and House of Representatives in General Court  
assembled, and by the authority of the same, as follows:*

SECTION 1. The Attleboro Firefighters Benefit Association, Inc., a corporation duly established under the laws of the commonwealth, is hereby authorized to pay to any member, who meets the requirements of section four a of Article IV of the by-laws of said corporation upon retirement, a sum equal to the death benefit amount, at the time of such retirement provided such member waives in writing any claim to the death benefit as described in section one of Article VIII of the by-laws of said corporation. Such member shall thereupon cease to be entitled to receive any further such death or retirement benefit from said corporation.

SECTION 2. This act shall take effect upon its passage.

House of Representatives, October 24, 1988.

Passed to be enacted,

*George Lucreianu*, Speaker.

In Senate, October 27, 1988.

Passed to be enacted,

*Walter J. Berman*, Acting President.

November 8, 1988.

Approved,

at Three o'clock and 05 minutes, P. M.

*Michael J. Dukakis*

Governor.



## THE COMMONWEALTH OF MASSACHUSETTS

In the Year One Thousand Nine Hundred and Eighty-eight

## AN ACT FURTHER REGULATING MOTOR VEHICLE INSURANCE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 25 of chapter 90 of the General Laws, as appearing in the 1986 Official Edition, is hereby amended by striking out, in line 18, the words "not less than twenty-five nor more than".

SECTION 2. Section 30A of said chapter 90, as so appearing, is hereby amended by inserting after the word "plan", in line 9, the words:- and for the purposes of complying with the requirements of sections one A, thirty-four A, thirty-four B and thirty-four H pertaining to motor vehicle liability policies.

SECTION 3. Section 34B of said chapter 90, as so appearing, is hereby amended by inserting after the second paragraph the following paragraph:-

Whenever a company or its duly authorized employee or agent executes a certificate for an existing registered owner of a motor vehicle, such company shall notify the registrar, on a form prescribed by him within fifteen calendar days of the execution of said certificate.

SECTION 4. Section 34H of said chapter 90, as so appearing, is hereby amended by striking out, in line 1, the words "written notice" and inserting in place thereof the following words:- notice in a form he may prescribe.

House of Representatives, OCTOBER 31, 1988.

Passed to be enacted,

*George A. Lerian*, Speaker.

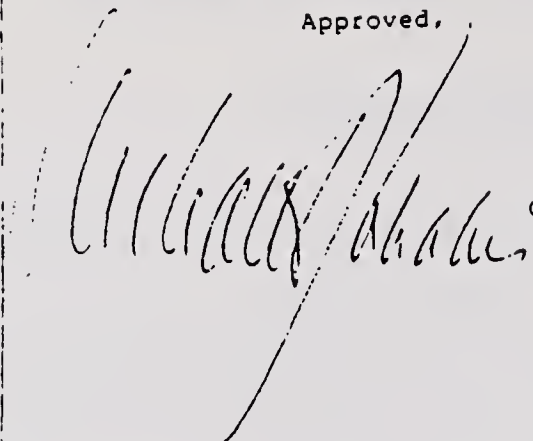
In Senate, November 1, 1988.

Passed to be enacted,

*William M. Bulger*, President.

November 10 , 1988.

Approved,

 Governor.

## THE COMMONWEALTH OF MASSACHUSETTS

*In the Year One Thousand Nine Hundred and Eighty-eight*

## AN ACT RELATIVE TO FALSE HEALTH CARE CLAIMS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

The General Laws are hereby amended by inserting after chapter 175G the following chapter:-

## CHAPTER 175H.

## FALSE HEALTH CARE CLAIMS.

Section 1. As used in this chapter the following words shall have the following meanings, unless the context otherwise requires:-

"False", wholly or partially false, fictitious, fraudulent, untrue or deceptive.

"Health care benefit", a payment for health care services or the right under a contract or a certificate or policy of insurance to have a payment made by a health care corporation or health care insurer for a specified health care service.

"Health care corporation", a nonprofit hospital service corporation organized pursuant to chapter one hundred and seventy-six A, a nonprofit medical service corporation organized pursuant to chapter one hundred and seventy-six B, a medical service corporation organized pursuant to chapter one hundred and seventy-six C, a dental service corporation organized pursuant to chapter one hundred and seventy-six D, an optometric service plan organized pursuant to chapter one hundred and seventy-six E, and a health maintenance organization organized pursuant to chapter one hundred and seventy-six G.

"Health care insurer", any insurance company authorized to provide health insurance in this state or any legal entity which is self-insured and providing health care benefits to its employees.

"Person", an individual, corporation, partnership, association, or any other legal entity.

Section 2. Any person who (1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any appli-

cation for a payment of a health care benefit; or (2) knowingly and willfully presents or causes to be presented an application for a health care benefit containing any false statement or representation of a material fact; or (3) knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining rights to a health care benefit, including whether goods or services were medically necessary in accordance with professionally accepted standards; or (4) having knowledge of the occurrence of any event affecting his initial or continued right to any health care benefit, conceals or fails to disclose such an event with an intent to fraudulently secure such benefit either in a greater amount than is due or when no such benefit is due; or (5) having knowledge of the occurrence of any event affecting the health care benefit of any other individual in whose behalf he has made or presented an application for such benefit, or in whose behalf he is receiving any health care benefit, conceals or fails to disclose such an event with an intent to fraudulently secure such benefit either in a greater amount than is due or when no such benefit is due, shall be punished by a fine of not more than ten thousand dollars, or by imprisonment in a jail or house of correction for not more than two and one-half years or in the state prison for not more than five years, or by both such fine and imprisonment, and may be held liable in a civil action under section seven. Notwithstanding the foregoing, a person who is not a provider of services for which a health care benefit may be paid shall not be subject to prosecution hereunder for any statement or representation which such person makes without fraudulent intent.

Section 3. Any person who solicits or receives any remuneration, directly or indirectly, overtly or covertly, in cash or in kind in return for purchasing, leasing, ordering or arranging for or recommending purchasing, leasing, or ordering of any good, facility, service, or item for which payment is or may be made in whole or in part by a health care insurer, or any person who offers or pays any remuneration, including any bribe or rebate, directly or indirectly, overtly or covertly, in cash or in kind to induce any person to purchase, lease, order or arrange for or recommend purchasing, leasing or ordering of any good, facility, service, or item for which payment is or may be made in whole or in part by a health care insurer, shall be punished by a fine of not more than ten thousand dollars, or by imprisonment in a jail or house of correction for not more than two and one-half years or in the state prison

for not more than five years, or by both such fine and imprisonment, and may be held liable in a civil action under section seven.

Section 4. Any criminal proceeding brought under this chapter may be filed in the district, municipal or superior courts of Suffolk county.

Section 5. The attorney general may conduct an investigation of an alleged violation of this chapter and may commence a proceeding pursuant to section four.

Section 6. A person who receives a health care benefit or payment from a health care corporation or health care insurer which such person knows that he or she is not entitled to receive or be paid, or a person who knowingly presents or causes to be presented with fraudulent intent a claim which contains a false statement, shall be liable to the health care corporation or health care insurer for the full amount of the benefit or payment made, and for reasonable attorneys fees and costs, inclusive of costs of investigation.

A health care corporation or health care insurer may bring a civil action under this chapter in the superior court department of the trial court.

Section 7. Any person convicted of a violation of sections two or three, in addition to any fines or sentences imposed, including any order of probation, shall be ordered to make restitution to a health care corporation or health care insurer for the full amount of the benefit or payment made, and for reasonable attorneys fees and costs, inclusive of costs of investigation.

Section 8. The remedies provided for in this chapter are in addition to any other remedies provided by law.

House of Representatives, November 14, 1988.

Passed to be enacted,

*George Luverio*, Speaker.

In Senate, November 14, 1988.

Passed to be enacted,

*Walter B. Buehler*, President.

November 25, 1988.

Approved,

*Robert J. M. ...* Governor.



## THE COMMONWEALTH OF MASSACHUSETTS

In the Year One Thousand Nine Hundred and Eighty-eight

## AN ACT RELATIVE TO THE INSURERS' INSOLVENCY FUND.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 175D of the General Laws is hereby amended by striking out section 2, as appearing in the 1986 Official Edition, and inserting in place thereof the following section:-

Section 2. This chapter shall apply to all kinds of direct insurance, except life, accident and health, title, surety, disability credit, mortgage guaranty, financial guaranty or other forms of insurance offering protection against investment risks, insurance of warranties of any type of service contracts and ocean marine insurance.

SECTION 2. Section 4 of said chapter 175D, as so appearing, is hereby amended by inserting after the word "commissioner", in line 5, the words:- ; provided, however, that at least one member of the board shall be appointed by the commissioner as a representative of insurance producers.

SECTION 3. Paragraph (1) of section 5 of said chapter 175D, as so appearing, is hereby amended by striking out clause (a) and inserting in place thereof the following clause:-

(a) be obligated to the extent of the covered claims against the insolvent insurer existing prior to the declaration of insolvency and arising within sixty days after the declaration of insolvency, or before the policy expiration date if less than sixty days after the declaration, or before the insured replaces the policy or requests cancellation, if he does so within sixty days of the declaration, but such obligation shall include only that amount of each covered claim which is less than three hundred thousand dollars.

House of Representatives, November 22, 1988.

Passed to be enacted,

*George Lencian*, Speaker.

In Senate, November 22, 1988

Passed to be enacted.

*Walter Kneini*

, President.

November 30, 1988.

Approved.

*Michael Dukakis*

Governor.

## THE COMMONWEALTH OF MASSACHUSETTS

*In the Year One Thousand Nine Hundred and Eighty-eight*

AN ACT RELATIVE TO THE CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE ACT OF 1988.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. Section 2 of chapter 167F of the General Laws is hereby amended by striking out paragraph 16, as appearing in the 1986 Official Edition, and inserting in place thereof the following paragraph:-

16. To purchase by itself or with other banks group life insurance on the lives of debtors who request such insurance. The premium for such insurance, or the premium on an individual life insurance policy held to cover the indebtedness, may be added to the payments required of those who elect to become insured. In the event of the death of any debtor so insured, the insurance proceeds shall be applied to reduce or extinguish the unpaid indebtedness to the extent of such payment. No trustee, director, officer or employee of such bank shall benefit financially, directly or indirectly from the sale of such insurance;.

SECTION 2. Paragraph 17 of said section 2 of said chapter 167F, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

To purchase by itself or with other banks group accident and health insurance covering debtors of such bank or group of banks if the debtors request such insurance. Such insurance shall cover all or part of the indebtedness of such debtors. The premium for such insurance, or the premium on an individual accident and health insurance policy held to cover the indebtedness, may be added to the payments required of any such debtor who elects to become insured. No trustee, director, officer or employee of such bank or group of banks shall benefit financially, directly or indirectly from the sale of such insurance;.

SECTION 3. The first sentence of subdivision (A) of section 110 of chapter 175 of the General Laws, as so appearing, is hereby amended by striking

out clause (j) and inserting in place thereof the following clause:- (j) a bank, association, financial or other institution, vendor, or to a parent holding company, or to the trustee, trustees or agent designated by one or more banks, associations, financial or other institutions, or vendors under which debtors, guarantors or purchasers are insured against loss of time resulting from disease or specified bodily injuries, in an amount with respect to each obligation not to exceed the lesser of the total of the scheduled payments on the obligation, or forty thousand dollars of principal obligation plus finance charges; provided, however, that no person shall be insured under any said policy for a period of more than fifteen years with respect to each said obligation; provided, further, that where the coverage is for less than the full amount of said obligation, the periodic benefit payment shall cover either the full amount of each periodic payment on said obligation or the maximum periodic benefit set forth in said policy until the maximum aggregate benefit of said policy is reached; and provided, further, that said forty thousand dollar limitation and said fifteen year period limitation contained in this clause shall not apply to said insurance for which no identifiable charge is made to the debtor, co-debtor or guarantor.

SECTION 4. Said chapter 175 is hereby further amended by inserting after section 117B the following section:-

Section 117C. (a) The following method of determination of premium rates with respect to credit life insurance and credit accident and health insurance is required only for such insurance written in connection with obligations, other than loans secured by first liens on real property, which are subject to section twelve G of chapter two hundred and fifty-five, section ten of chapter two hundred and fifty-five B, section fourteen A of chapter two hundred and fifty-five C, or subsection C of section twenty-six of chapter two hundred and fifty-five D, for which an identifiable charge is paid by insured persons.

(b) The following are the procedures for determining the maximum premium rates permitted to be charged any account:

A. Rate Review.

(1) Minimum loss ratio test: Benefits will be considered reasonable in relation to the premium charged if the loss ratio equals or exceeds or is reasonably expected to equal or exceed the minimum loss ratio standard specified below. The minimum loss ratio standard is:

(i) for credit life insurance, fifty per cent and

- (ii) for credit accident and health insurance, fifty-five per cent.

In applying the minimum loss ratio test, the commissioner shall make appropriate adjustment to account for differences in loss ratios that may be expected on single premium credit life insurance plans resulting from changes in the benefit structure.

(2) When deviated rates are in use: If an insurer has deviated rates approved under clauses (1) and (2) of paragraph C, the reasonableness of rates for those accounts will be determined by paragraph C.

- (3) Frequency of rate review:

(i) The rate review will be made each year for all classes of business except for motor vehicle dealers.

(ii) The rate review will be made every three years for the motor vehicle dealers class of business.

#### B. Use of Nominal Rates.

An insurer that has filed rates which are equal to or lower than the nominal rates may retain on file and use those rates without further proof of their reasonableness while the experience of the insurer in this commonwealth for the accounts to which they are applied continues to satisfy the minimum loss ratio test specified in paragraph A.

#### C. Use of deviated rates.

- (1) Use of rates higher than nominal rates:

If the minimum loss ratio test produces a loss ratio that exceeds the minimum loss ratio standard, the insurer may file for approval and use rates that are higher than the nominal rates computed on a basis equivalent to that in clause (2) of paragraph D.

- (2) Use of rates lower than nominal rates:

If the minimum loss ratio test produces a loss ratio that is lower than the minimum loss ratio standard, the insurer shall file adjusted rates that can be expected to produce a loss ratio that will satisfy the minimum loss ratio test or that are computed on a basis equivalent to that in clause (2) of paragraph D.

(3) Determination of deviated rates for all classes of business except for motor vehicle dealers:

If deviated rates are to be filed under clauses (1) or (2), the insurer may file rates for approval that will be:

- (i) Applied uniformly to all accounts of the insurer;

(ii) Applied on an equitable basis approved by the commissioner to only one or more accounts of the insurer for which the experience has been more favorable or less favorable than expected; or

(iii) Applied according to a case rating procedure on file with the commissioner. An insurer electing to file a case rating procedure may either file its own plan for the approval of the commissioner or may use the standard case rating procedure specified herein by notice to him.

(4) Determination of deviated rates for the motor vehicle dealers class of business:

(i) The motor vehicle dealers class of business case rate for each plan of insurance shall be the nominal rates until the effective date of the appropriate deviated case rate for each plan of insurance as provided for in subclause (ii).

(ii) The commissioner shall on or before October first, nineteen hundred and eighty-nine, aggregate the combined experience of all insurers for the motor vehicle dealers class of business for the three preceding calendar years, compute the appropriate deviated case rate according to paragraph D, for each plan of insurance for said class of business for all said insurers combined, according to subclause (ii) of clause (1) of said paragraph D. The commissioner shall send by first class mail, mailed on the same day, written notice to all insurers of said appropriate deviated case rate for each plan of insurance that shall apply to said class of business from ninety days after the date of the mailing of said written notice, but not later than January first, nineteen hundred and ninety, until midnight December thirty-first, nineteen hundred and ninety-two.

(iii) The commissioner shall on or before October first, nineteen hundred and ninety-two, and each three years thereafter on or before October first, aggregate the combined experience of all insurers for the motor vehicle dealer class of business for the three preceding calendar years, compute the appropriate deviated case rate, according to said paragraph D, for each plan of insurance for said class of business for all said insurers combined according to subclause (ii) of clause (1) of said paragraph D and shall send by first class mail written notice to all insurers of said appropriate deviated case rate for each plan of insurance that shall apply to said class of business for the succeeding three calendar years beginning January first, nineteen hundred and ninety-three, and each three years thereafter on January first.

The rate for each account which has been deviated must be redetermined on the same basis thereafter or until the rate for the account is no longer deviated.

D. Use of rates determined by standard case rating procedure.

An insurer, by written notice to the commissioner of its election to do so, may file and use premium rates determined by this standard case rating procedure. If elected, the procedure will be used by the insurer to rate all of its credit insurance in this commonwealth. Once elected, the procedure will remain in effect for the insurer until a different procedure has been filed with the commissioner and approved by him.

(1) Determination of case rate:

An insurer may use a rate for an account not greater than the case rate for that account as follows:

(i) Single account cases and multiple account cases:

If the account is within the definition of a single account case or of a multiple account case as filed by the insurer, the case rate for the account or for each account comprising a multiple account case will be determined by the formula set forth in clause (2).

(ii) Pooled account cases:

If the account is in a pooled account case, the case rate for each account comprising the case will be the case rate for that pooled account case as determined by the formula set forth in said clause (2).

(iii) New accounts without experience:

If a new account of an insurer has no experience in this commonwealth, the case rate for the account will be the nominal rate shown in clause (14) of paragraph G unless a different case rate is approved for the account by the commissioner.

(2) Calculation of case rate:

(i) Symbols and Definitions

NR = Nominal Rate

ALR = Actual Loss Ratio for case at Nominal Rate Basis

ELR = Minimum Loss Ratio Standard of clause (1) of paragraph A.

Z = Credibility Factor for Case

CLR = Credibility Adjusted Case Loss Ratio at Nominal Rate Basis

$$= (Z \times ALR) + ((1 - Z) \times ELR)$$

E = Expense Loading in nominal rate

$$= (1 - \text{ELR}) \times \text{NR}$$

NCR = New Case Rate

(ii) New Case Rate

For credit accident and health insurance where CLR is greater than ELR:

$$\text{NCR} = \text{NR} (1 + 1.1 (\text{CLR} - \text{ELR}))$$

For all other credit accident and health insurance and for all credit life insurance:

$$\text{NCR} = (\text{NR} \times \text{CLR}) + \text{E}$$

(3) Minimum changes:

If the new case rate does not differ by more than five per cent from the current case rate, the new case rate will be the current case rate.

(4) Case rate period:

A case rate will be in effect for a period of time not longer than the experience period used to establish the case rate, i.e. one year, two years or three years. An insurer may file for a new case rate before the end of a case rate period, but not more often than once during any twelve month period. A case rate for motor vehicle dealers will be in effect for a period of time not less than three years.

(5) Change of insurers:

If a creditor changes insurers, the case rate in effect for his account on the date of the change will continue to be in effect for the account with the succeeding insurer for the remainder of the case rate period or until a new case rate for his account is established if sooner.

E. Filing of Rates.

An insurer who has elected to file higher rates under clause (1) of paragraph C or who is required to file reduced rates under clause (2) of said paragraph C, or who has elected the standard case rating procedure, shall also file a new schedule of rates as determined by said clauses (1) and (2) of said paragraph C. If the commissioner does not disapprove the new schedule of rates within thirty days after receipt of the filing, rates not higher than the new rates shall be placed in effect not later than the first day of the fifth month next following the end of the experience period unless a different effective date has been approved by the commissioner. In no event, however, may a rate increase be placed in effect earlier than the date rate decreases are expected to be placed in effect. An insurer may at any time charge a rate lower than its filed rate without notice to the commissioner.

**F. Reports of Experience:**

(1) Each insurer writing said life insurance and accident and health insurance shall report to the commissioner its claims experience and loss ratio data on said insurance separately for the motor vehicle dealers class of business and for all classes of business combined on the credit insurance supplement forms as specified by the National Association of Insurance Commissioners for inclusion in the annual statement blanks filed pursuant to section twenty-five.

(2) The commissioner shall summarize said insurance claims experience and loss ratio data from said credit insurance supplement forms and submit such summary experience and loss ratio data to the clerk of the house of representatives who shall forward the same to the joint committee on insurance not later than the thirtieth day of September of each year.

(3) Each insurer writing said life insurance and accident and health insurance for the motor vehicle dealers class of business shall report to the commissioner its claims experience and loss ratio data on said insurance for motor vehicle dealers on said credit insurance supplement forms for the calendar years nineteen hundred and eighty-five, nineteen hundred and eighty-six, nineteen hundred and eighty-seven and nineteen hundred and eighty-eight, by a date and in a manner to be set by the commissioner, but not later than July first, nineteen hundred and eighty-nine.

For the purpose of the reporting in this paragraph, for nineteen hundred and eighty-five, nineteen hundred and eighty-six and nineteen hundred and eighty-seven, the term "prima facie rate" shall be construed to mean the statutory maximum rates in effect during those years, and for subsequent years shall be construed to mean the nominal rates set out in clause (14) of paragraph G.

G. As used in this section the following terms, unless the context clearly requires otherwise, shall have the following meanings:-

(1) "Account", the aggregate credit life insurance or credit accident and health insurance coverage for a single plan of insurance and for single class of business written through a single creditor by the insurer. With the approval of the commissioner, the account may also mean the credit life insurance or the credit accident and health insurance of two or more plans of insurance or two or more classes of business of a single creditor.

(2) "Average Number of Life Years", the average number of group certificates in force during the experience period, without regard to multiple coverage, times the number of years in the experience period, or some equivalent calculation, which shall be made separately for credit life insurance and for credit accident and health insurance.

(3) "Case" a "Single Account Case", a "Multiple Account Case" or a "Pooled Account Case" as follows:

(i) "Single Account Case", an account that is at least as credible as the minimum level of credibility elected by the insurer for defining a single account case excluding all of these accounts which have been included in multiple account cases.

An insurer may make this election by notice to the commissioner, in writing, of the minimum credibility factor it will use to define a "Single Account Case". Once notified, the minimum credibility factor will remain in effect for the insurer until a different factor has been filed by the insurer and approved by the commissioner. If an insurer makes no written election, its minimum credibility factor will be one hundred per cent.

(ii) "Multiple account case", with the approval of the commissioner, two or more accounts of the same insurer having similar underwriting characteristics which are combined by the insurer for premium rating purposes, excluding all cases defined in (i) and which, when combined, are at least as credible as the minimum level of credibility elected in (i).

(iii) "Pooled account case", a combination of all the insurer's accounts of the same plan of insurance and class of business which combination has experience in this commonwealth, excluding all defined in (i) and (ii).

(4) "Class of business", a grouping of the classes of business listed below:

- (i) credit unions;
- (ii) commercial, cooperative & savings banks;
- (iii) finance companies;
- (iv) motor vehicle dealers;
- (v) other sales finance;
- (vi) production credit associations;
- (vii) bank - agricultural loans;
- (viii) all others

(5) "Credibility factor", the extent to which the past experience of a case can be expected to recur in the future. For the standard case rating procedure, the credibility factor may be based on either the number of claims incurred or on the "average number of life years" for the case during the experience period using the credibility table. The insurer shall notify the commissioner in advance which method it will use to measure the credibility of all its cases in this commonwealth and may not change its method without the prior approval of the commissioner. If "claim count" or "life year" data are not available, reasonable methods of approximation approved by the commissioner may be used until such data are developed.

(6) "Credibility table", for purposes of the standard case rating procedure means the following table:

CREDIBILITY TABLE

*Average Number of Life Years*

Credit Life	Credit Accident and Health	Incurred Claim Count	Credibility "Z" Factor
7	1	1	.00
1,800	209	9	.25
2,400	279	12	.30
3,000	349	15	.35
3,600	419	18	.40
4,600	535	23	.45
5,600	651	28	.50
6,600	767	33	.55
7,600	884	38	.60
9,600	1,116	48	.65
11,600	1,349	58	.70
14,600	1,698	73	.75
17,600	2,047	88	.80
20,600	2,395	103	.85
25,600	2,977	128	.90
30,600	3,558	153	.95
40,600	4,651	200	1.00

The above integral numbers represent the lower end of the bracket for each "Z" factor. The upper is 1 less than the lower end for the next higher "Z" factor.

(7) "Earned premiums at rates in use", actual earned premiums, that is, the premiums earned at the premium rates actually charged for coverage in force during the experience period.

(8) "Earned premiums at the nominal rates", the actual earned premiums adjusted to the amount which would have been earned had the premium rate charged for coverage in force during the experience period been equal to the nominal rate. Reasonable methods of approximation approved by the commissioner

er may be used.

(9) "Experience", earned premiums, incurred claims, incurred claim count, number of life years insured, and average amount of insurance during the experience period.

(10) "Experience period", the most recent period of time for which experience is reported, but not a period longer than three full years. Experience period for the motor vehicle dealer pooled account case means the most recent three calendar years for which experience is reported.

(i) If a case develops one hundred per cent credibility in less than three years, the experience period for that case will be the number of full years needed to develop one hundred per cent credibility.

(ii) If a case develops the minimum credibility elected by the insurer in less than three years, the experience period for that case, at the option of the insurer, will be the number of full years needed to develop minimum credibility or three full years.

(iii) New accounts with experience:

If a new account of an insurer has experience in this commonwealth with a prior insurer, the new insurer must use the most recent experience of the account with the prior insurer to the extent necessary to fill out an experience period.

(iv) Accounts with multi-state experience:

If an account has experience in more than this commonwealth, an insurer may use only the experience of the account in this commonwealth to rate the case or, with the approval of the commissioner, may use the multi-state experience of the account for this purpose applied on an equitable basis.

The provisions of subclause (i), (ii), (iii) and (iv) shall not apply to motor vehicle dealers.

(11) "Incurred claims", total claims paid during the experience period, adjusted for the change in the claim reserve.

(12) "Incurred claim count", the number of claims incurred for the case during the experience period. This means the total number of claims reported during the experience period, whether paid or in the process of payment, plus any incurred but not reported at the end of the experience period, less the number of claims incurred but not reported at the beginning of the experience period. If a debtor has been issued more than one certificate for the same plan of insurance, only one claim is counted. If a debtor receives disability

benefits, only the initial claim payment for that period of disability is counted.

(13) "Loss Ratio", the ratio of incurred claims to earned premiums at the nominal rate.

(14) "Nominal rates", the premium rates shown below for credit life insurance and credit accident and health insurance.

(i) For credit life insurance the nominal rates per one thousand dollars of insurance in force per month shall be sixty-nine cents for single life insurance, and one hundred and sixty per cent of said single life insurance rate for joint life insurance.

(ii) For credit accident and health insurance, single premium rates for each one hundred dollars of initial insured indebtedness shall be seventy cents per annum for each of the first four years of the term of coverage, fifty cents per annum for each of the next three years of the term of coverage and twenty-five cents per annum for each year of the term of coverage thereafter. The initial insured indebtedness is the total of all monthly insurance benefits provided.

A monthly rate of one dollar and twenty cents for each one thousand dollars of remaining insured indebtedness each month, reduced by three cents for each year by which the initial scheduled duration of the insurance exceeds sixty months, shall be considered the equivalent of the above single premium rates. The "remaining insured indebtedness each month", as used in the preceding sentence, is the total of the monthly insurance benefits remaining.

For credit accident and health insurance in connection with interest bearing indebtedness, other than pre-computed indebtedness, a monthly premium rate of one dollar and fifty cents for each one thousand dollars of the remaining principal indebtedness, exclusive of finance charges, shall be considered the equivalent of the above single premium rates.

(15) "Plan of insurance" unless otherwise filed and approved means

(i) credit life insurance on a flat rated basis other than revolving accounts, e.g. including joint and single life coverage, decreasing and level insurance,

(ii) credit life insurance on a revolving account basis,

(iii) credit life insurance on an age-graded basis,

(iv) credit accident and health insurance other than on revolving accounts combining outstanding balance and single premium,

(v) credit accident and health insurance on a revolving account basis.

SECTION 5. The first paragraph of section 133 of said chapter 175, as so appearing, is hereby amended by striking out clause (c) and inserting in place thereof the following clause:- (c) a group of persons who at any time are debtors of a bank, association, financial or other institution, including its subsidiary or affiliated institutions, if any, for a loan, or of the vendor of any property for its purchase price, or who are co-debtors or guarantors of said obligation, under an agreement to pay said obligation, or who at any time have been granted a policy loan pursuant to a policy provision therefor, written under a policy issued, with or without requirement of evidence of individual insurability, to said bank, association, financial or other institution or vendor, or to a parent holding company, or to the trustee, trustees or agent designated by one or more said banks, associations, financial or other institutions or vendors, or to the insurance company granting said policy loan, and made payable to said creditor or to the assignee of said obligation, or to said insurance company granting said policy loan, including the insurance company which issues said policy, and insuring the life of each debtor, co-debtor, guarantor or the person granted said policy loan, for an amount, with respect to each said obligation or policy loan, not exceeding his individual obligation exclusive of unearned finance charges, or policy loan with interest, and not exceeding forty thousand dollars; provided, however, that where joint life insurance is afforded, not more than two persons may be insured in connection with any one credit transaction; provided, however, that no such debtor shall be insured in such a group for a period of more than fifteen years on account of a debt arising out of said loan or policy loan or obligation for said purchase price, and provided, further, that said forty thousand dollar amount limitation and said fifteen year period limitation contained in this clause shall not apply to said insurance for which no identifiable charge is made to the debtor, co-debtor or guarantor.

SECTION 6. Section 177 of said chapter 175, as so appearing, is hereby amended by striking out the fourth sentence and inserting in place thereof the following two sentences:- Nothing in this section shall prohibit the payment to the holder of a group policy of accident and health insurance issued pursuant to clause (j) of the first sentence of subdivision (A) of section one hundred and ten or of life insurance issued pursuant to clause (c) of the first paragraph of section one hundred and thirty-three, for which rates are deter-

mined pursuant to section one hundred and seventeen C, of a service charge; provided, however, that where said holder is offering or enrolling obligors in said group policy without being licensed pursuant to section one hundred and sixty-three, except where no identifiable charge is made to the insured, said holder is deemed to be in the business of insurance solely for the purposes of chapter one hundred and seventy-six D; provided, further, that any action by the commissioner under said chapter one hundred and seventy-six D shall be limited to said holder's activities with respect to said insurance products; and, provided further, that the licensed entity or entities which marketed said insurance products to said holder shall provide training to said holder in the offering of said insurance products and at least annually shall review the activities of said holder to assure that said insurance products are being properly administered. Nothing in the preceding sentence shall permit licensing of insurance agents where it would otherwise be prohibited nor shall anything in the preceding sentence be deemed to limit or restrict any other legal obligations and responsibilities of licensed entities.

SECTION 7. The second sentence of section 184 of said chapter 175, as so appearing, is hereby amended by striking out clause (4) and inserting in place thereof the following clause:- (4) the payment to or the receipt by the holder of a group policy of accident and health insurance issued pursuant to clause (j) of the first sentence of subdivision (A) of section one hundred and ten or of life insurance issued pursuant to clause (c) of the first paragraph of section one hundred and thirty-three, for which rates are determined pursuant to section one hundred and seventeen C, of a service charge; provided, however, that where said holder is offering or enrolling obligors in said group policy without being licensed pursuant to section one hundred and sixty-three, except where no identifiable charge is made to the insured, said holder is deemed to be in the business of insurance solely for the purposes of chapter one hundred and seventy-six D; provided, further, that any action by the commissioner under said chapter one hundred and seventy-six D shall be limited to said holder's activities with respect to said insurance products; provided, further, that the licensed entity or entities which marketed said insurance products to said holder shall provide training to said holder in the offering of said insurance products and at least annually shall review the activities of said holder to assure that said insurance products are being properly administered; and provided, further, that nothing in this clause shall permit

licensing of insurance agents where it would otherwise be prohibited nor shall be deemed to limit or restrict any other legal obligations and responsibilities of licensed entities.

SECTION 8. Chapter 255 of the General Laws is hereby amended by striking out section 12G, as so appearing, and inserting in place thereof the following section:-

Section 12G. Except as otherwise provided in section ten of chapter two hundred and fifty-five B, section fourteen A of chapter two hundred and fifty-five C and subsection C of section twenty-six of chapter two hundred and fifty-five D, in the event the charge or any portion thereof for life insurance under a policy issued pursuant to clause (c) of the first paragraph of section one hundred and thirty-three of chapter one hundred and seventy-five or for accident and health insurance under a policy issued pursuant to clause (j) of the first sentence of subdivision (A) of section one hundred and ten of chapter one hundred and seventy-five, which unless otherwise authorized shall be the only types of insurance authorized in connection with a loan for personal, family or household purposes, except in the case of a loan secured by a first lien on real property, is paid by the borrower or borrowers to the creditor, it shall not be deemed to constitute a charge in violation of sections ninety A, one hundred, one hundred and fourteen A, and one hundred and fourteen B of chapter one hundred and forty.

The creditor may make a charge for said life insurance based on a rate which shall not exceed the premium charged by the insurer pursuant to said insurer's schedule or schedules of premium rates currently on file with the commissioner of insurance for said insurance on obligations to said creditor pursuant to the provisions of section one hundred and seventeen C of chapter one hundred and seventy-five. The amount of said insurance shall at no time exceed the greater of the scheduled or actual amount owing on the loan exclusive of unearned finance charges. Said charge may be collected either as a single premium on scheduled insured balances or periodically on actual monthly insured balances.

The creditor may make a charge for said accident and health insurance based on a rate which shall not exceed the premium charged by the insurer pursuant to said insurer's schedule or schedules of premium rates currently on file with the commissioner of insurance for said insurance on obligations to said creditor pursuant to the provisions of said section one hundred and sev-

enteen C of said chapter one hundred and seventy-five. Said charge may be collected either as a single premium on scheduled insured balances or periodically on outstanding balance basis, using a monthly term rate that is actuarially consistent with the applicable single premium rate filed with said commissioner, which monthly rate shall be applied each month to the sum of the remaining insured monthly benefits. For interest bearing loans, other than pre-computed loans, a uniform monthly rate filed with said commissioner may be applied to the remaining monthly loan balances of all insured loans, exclusive of unearned finance charges, which uniform monthly rate shall produce, for the aggregate of all said insured loans, an aggregate premium that is actuarially consistent with the aggregate premium that would result from using said applicable single premium rates filed with said commissioner applied to the total of the monthly benefits on all said insured loans. All group accident and health insurance policies shall have a waiting period of thirty days and shall have benefits which are not retroactive.

In the event of prepayment of the loan, there shall be a refund of any unearned charges for said life insurance or accident and health insurance computed on a method which is at least as favorable to the borrower or borrowers as the actuarial method, which for single premiums shall be defined as a refund of unearned premium equal to the premium cost of coverage equal to the remaining scheduled benefits for a term equal to the remaining period from the date of said prepayment to the originally scheduled termination date of coverage, computed at the schedule of rates in effect when the charge for said insurance was made. If said prepayment is made other than on an installment due date it shall be deemed to have been made on the first installment due date if said prepayment is made before that date, and in any other case it shall be deemed to have been made on the next preceding or next succeeding installment due date, whichever is nearer to the date of said prepayment.

The amount of death benefit payable shall be computed as of the date of death and shall, subject to any dollar limit specified in the group policy, include not less than the equivalent of six past due monthly payments on the loan if and to the extent that payments are past due whether from delinquency, deferral, extension or other reason. No anticipated delinquency value shall be included in the amount of coverage on which said life insurance premiums are calculated. In the computation of said benefit, the assumed amount of said insurance shall not be less than the lesser of (1) the maximum amount of

said insurance specified in the group policy, or (2) the actual outstanding principal balance of the indebtedness including the equivalent of up to six past due monthly payments if and to the extent that payments are past due. Notwithstanding the previous sentence, in the event an excess charge is made for said insurance, said amount of death benefit shall at no time be less than the amount for which a charge has been paid by the insured.

Every disclosure statement under the provisions of chapter one hundred and forty D involving said life insurance or accident and health insurance issued pursuant to this section shall contain the following language printed in ten point boldface type:

YOU CANNOT BE DENIED CREDIT SIMPLY BECAUSE YOU CHOOSE NOT TO BUY CREDIT INSURANCE. CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT. INSURANCE WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL CHARGE.

The enrollment for said insurance shall not be a condition of obtaining financing nor shall it be a condition of entering into a loan. The denial of credit for failure to enroll for said insurance shall constitute a violation of chapter ninety-three A and chapter one hundred and seventy-six D.

This section shall not apply to insurance for which no identifiable charge is made to the borrower or borrowers. This section shall not apply to a loan for personal, family or household purposes secured by a first lien on real property.

SECTION 9. Section 10 of chapter 255B of the General Laws, as so appearing, is hereby amended by striking out the fifth to tenth sentences, inclusive, and inserting in place thereof the following eight paragraphs:-

In the event the charge or any portion thereof for life insurance under a policy issued pursuant to clause (c) of the first paragraph of section one hundred and thirty-three of chapter one hundred and seventy-five, or for accident and health insurance under a policy issued pursuant to clause (j) of the first sentence of subdivision (A) of section one hundred and ten of chapter one hundred and seventy-five, which unless otherwise authorized shall be the only types of insurance authorized in connection with a retail installment contract, is paid by the buyer or buyers to the seller, it shall not be deemed to constitute a charge in violation of section fourteen.

The seller may make a charge for said life insurance based on a rate which shall not exceed the premium charged by the insurer pursuant to said insurer's

schedule or schedules of premium rates currently on file with the commissioner of insurance for said insurance on obligations to said seller pursuant to the provisions of section one hundred and seventeen C of chapter one hundred and seventy-five. The amount of said insurance shall at no time exceed the greater of the scheduled or actual amount owing on the contract exclusive of unearned finance charges. Said charge may be collected either as a single premium on scheduled insured balances or periodically on actual monthly insured balances.

The seller may make a charge for said accident and health insurance based on a rate which shall not exceed the premium charged by the insurer pursuant to said insurer's schedule or schedules of premium rates currently on file with the commissioner of insurance for said insurance on obligations to said seller pursuant to the provisions of said section one hundred and seventeen C of said chapter one hundred and seventy-five. Said charge may be collected either as a single premium on scheduled insured balances or periodically on outstanding balance basis, using a monthly term rate that is actuarially consistent with the applicable single premium rate filed with said commissioner, which monthly rate shall be applied each month to the sum of the remaining insured monthly benefits. For interest bearing contracts, other than pre-computed contracts, a uniform monthly rate filed with said commissioner may be applied to the remaining monthly debt balances of all insured contracts, exclusive of unearned finance charges, which uniform monthly rate shall produce, for the aggregate of all said insured contracts, an aggregate premium that is actuarially consistent with the aggregate premium that would result from using said applicable single premium rates filed with said commissioner applied to the total of the monthly benefits on all said insured contracts. All group accident and health insurance policies shall have a waiting period of thirty days and shall have benefits which are not retroactive.

In the event of prepayment of the contract, there shall be a refund of any unearned charges for said life insurance or accident and health insurance computed on a method which is at least as favorable to the buyer or buyers as the actuarial method, which for single premiums shall be defined as a refund of unearned premium equal to the premium cost of coverage equal to the remaining scheduled benefits for a term equal to the remaining period from the date of said prepayment to the originally scheduled termination date of coverage, computed at the schedule of rates in effect when the charge for said insurance

was made. If said prepayment is made other than on an installment due date it shall be deemed to have been made on the first installment due date if said prepayment is made before that date, and in any other case it shall be deemed to have been made on the next preceding or next succeeding installment due date, whichever is nearer to the date of said prepayment. The holder of the contract shall refund said unearned charges in the event of said prepayment.

The amount of death benefit payable shall be computed as of the date of death and shall, subject to any dollar limit specified in the group policy, include not less than the equivalent of six past due monthly payments on the contract if and to the extent that payments are past due whether from delinquency, deferral, extension or other reason. No anticipated delinquency value shall be included in the amount of coverage on which said life insurance premiums are calculated. In the computation of said benefit, the assumed amount of said insurance shall not be less than the lesser of (1) the maximum amount of said insurance specified in the group policy, or (2) the actual outstanding principal balance of the indebtedness including the equivalent of up to six past due monthly payments if and to the extent that payments are past due. Notwithstanding the previous sentence, in the event an excess charge is made for said insurance, said amount of death benefit shall at no time be less than the amount for which a charge has been paid by the insured.

Every disclosure statement under the provisions of chapter one hundred and forty D involving said life insurance or accident and health insurance issued pursuant to paragraphs two to eight, inclusive, of this section shall contain the following language printed in ten point boldface type:

YOU CANNOT BE DENIED CREDIT SIMPLY BECAUSE YOU CHOOSE NOT TO BUY CREDIT INSURANCE. CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT. INSURANCE WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL CHARGE.

The enrollment for said insurance shall not be a condition of obtaining financing nor shall it be a condition of entering into a retail installment contract. The denial of credit for failure to enroll for said insurance shall constitute a violation of chapter ninety-three A and chapter one hundred and seventy-six D.

Said paragraphs two to eight, inclusive, shall not apply to insurance for which no identifiable charge is made to the buyer or buyers.

SECTION 10. Chapter 255C of the General Laws is hereby amended by strik-

ing out section 14A, as so appearing, and inserting in place thereof the following section:-

Section 14A. In the event the charge or any portion thereof for life insurance under a policy issued pursuant to clause (c) of the first paragraph of section one hundred and thirty-three of chapter one hundred and seventy-five, which unless otherwise authorized shall be the only type of insurance authorized in connection with a premium finance agreement, is paid by the insured or insureds to the agent, broker or his assignee, it shall not be deemed to constitute a charge in violation of section fourteen.

The agent, broker or his assignee may make a charge for said life insurance based on a rate which shall not exceed the premium charged by the insurer pursuant to said insurer's schedule or schedules of premium rates currently on file with the commissioner of insurance for said insurance on obligations to said agent, broker or assignee pursuant to the provisions of section one hundred and seventeen C of chapter one hundred and seventy-five. The amount of said insurance shall at no time exceed the greater of the scheduled or actual amount owing on the agreement exclusive of unearned finance charges. Said charge may be collected either as a single premium on scheduled insured balances or periodically on actual monthly insured balances.

In the event of prepayment of the agreement, there shall be a refund of any unearned charges for said insurance computed on a method which is at least as favorable to the insured or insureds as the actuarial method, which for single premiums shall be defined as a refund of unearned premium equal to the premium cost of coverage equal to the remaining scheduled benefits for a term equal to the remaining period from the date of said prepayment to the originally scheduled termination date of coverage, computed at the schedule of rates in effect when the charge for said insurance was made. If said prepayment is made other than on an installment due date it shall be deemed to have been made on the first installment due date if said prepayment is made before that date, and in any other case it shall be deemed to have been made on the next preceding or next succeeding installment due date, whichever is nearer to the date of said prepayment.

The amount of death benefit payable shall be computed as of the date of death and shall, subject to any dollar limit specified in the group policy, include not less than the equivalent of six past due monthly payments on the agreement if and to the extent that payments are past due whether from delin-

quency, deferral, extension or other reason. No anticipated delinquency value shall be included in the amount of coverage on which said life insurance premiums are calculated. In the computation of said benefit, the assumed amount of said insurance shall not be less than the lesser of (1) the maximum amount of said insurance specified in the group policy, or (2) the actual outstanding principal balance of the indebtedness including the equivalent of up to six past due monthly payments if and to the extent that payments are past due. Notwithstanding the previous sentence, in the event an excess charge is made for said insurance, said amount of death benefit shall at no time be less than the amount for which a charge has been paid by the insured.

Every disclosure statement under the provisions of chapter one hundred and forty D involving said life insurance issued pursuant to this section shall contain the following language printed in ten point boldface type:

YOU CANNOT BE DENIED CREDIT SIMPLY BECAUSE YOU CHOOSE NOT TO BUY CREDIT INSURANCE. CREDIT LIFE INSURANCE IS NOT REQUIRED TO OBTAIN CREDIT. INSURANCE WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL CHARGE.

The enrollment for said insurance shall not be a condition of obtaining financing nor shall it be a condition of entering into a premium finance agreement. The denial of credit for failure to enroll for said insurance shall constitute a violation of chapter ninety-three A and chapter one hundred and seventy-six D.

This section shall not apply to insurance for which no identifiable charge is made to the insured or insureds.

SECTION 11. Section 26 of chapter 255D of the General Laws is hereby amended by striking out subsection C, as so appearing, and inserting in place thereof the following subsection:-

C. In the event the charge or any portion thereof for life insurance under a policy issued pursuant to clause (c) of the first paragraph of section one hundred and thirty-three of chapter one hundred and seventy-five, or for accident and health insurance under a policy issued pursuant to clause (j) of the first sentence of subdivision (A) of section one hundred and ten of chapter one hundred and seventy-five, which unless otherwise authorized shall be the only types of insurance authorized in connection with a retail installment sale agreement or revolving credit agreement, is paid by the buyer or buyers to the seller, it shall not be deemed a charge in violation of sections eleven or twenty-seven.

The seller may make a charge for said life insurance based on a rate which shall not exceed the premium charged by the insurer pursuant to said insurer's schedule or schedules of premium rates currently on file with the commissioner of insurance for said insurance on obligations to said seller pursuant to the provisions of section one hundred and seventeen C of chapter one hundred and seventy-five. The amount of said insurance shall at no time exceed the greater of the scheduled or actual amount owing on the agreement exclusive of unearned finance charges. Said charge may be collected either as a single premium on scheduled insured balances or periodically on actual monthly insured balances.

The seller may make a charge for said accident and health insurance based on a rate which shall not exceed the premium charged by the insurer pursuant to said insurer's schedule or schedules of premium rates currently on file with the commissioner of insurance for said insurance on obligations to said seller pursuant to the provisions of said section one hundred and seventeen C of said chapter one hundred and seventy-five. Said charge may be collected either as a single premium on scheduled insured balances or periodically on outstanding balance basis, using a monthly term rate that is actuarially consistent with the applicable single premium rate filed with said commissioner, which monthly rate shall be applied each month to the sum of the remaining insured monthly benefits. For interest bearing agreements, other than pre-computed agreements, a uniform monthly rate filed with said commissioner may be applied to the remaining monthly debt balances of all insured agreements, exclusive of unearned finance charges, which uniform monthly rate shall produce, for the aggregate of all said insured agreements, an aggregate premium that is actuarially consistent with the aggregate premium that would result from using said applicable single premium rates filed with said commissioner applied to the total of the monthly benefits on all said insured agreements. All group accident and health insurance policies shall have a waiting period of thirty days and shall have benefits which are not retroactive. Credit accident and health insurance may be offered only in those cases where the original amount of the retail installment sale agreement, exclusive of finance charges, exceeds five hundred dollars.

In the event of prepayment of the retail installment sale agreement or revolving credit agreement, there shall be a refund of any unearned charges for said life insurance or accident and health insurance computed on a method

which is at least as favorable to the buyer or buyers as the actuarial method, which for single premiums shall be defined as a refund of unearned premium equal to the premium cost of coverage equal to the remaining scheduled benefits for a term equal to the remaining period from the date of said prepayment to the originally scheduled termination date of coverage, computed at the schedule of rates in effect when the charge for said insurance was made. If said prepayment is made other than on an installment due date it shall be deemed to have been made on the the first installment due date if said prepayment is made before that date, and in any other case it shall be deemed to have been made on the next preceding or next succeeding installment due date, whichever is nearer to the date of said prepayment. The holder of the agreement shall refund said unearned charges in the event of said prepayment.

The amount of death benefit payable shall be computed as of the date of death and shall, subject to any dollar limit specified in the group policy, include not less than the equivalent of six past due monthly payments on the agreement if and to the extent that payments are past due whether from delinquency, deferral, extension or other reason. No anticipated delinquency value shall be included in the amount of coverage on which said life insurance premiums are calculated. In the computation of said benefit, the assumed amount of said insurance shall not be less than the lesser of (1) the maximum amount of said insurance specified in the group policy, or (2) the actual outstanding principal balance of the indebtedness including the equivalent of up to six past due monthly payments if and to the extent that payments are past due. Notwithstanding the previous sentence, in the event an excess charge is made for said insurance, said amount of death benefit shall at no time be less than the amount for which a charge has been paid by the insured.

Every disclosure statement under the provisions of chapter one hundred and forty D involving said life insurance or accident and health insurance issued pursuant to this subsection shall contain the following language printed in ten point boldface type:

YOU CANNOT BE DENIED CREDIT SIMPLY BECAUSE YOU CHOOSE NOT TO BUY CREDIT INSURANCE. CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT. INSURANCE WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL CHARGE.

The enrollment for said insurance shall not be a condition of obtaining financing nor shall it be a condition of entering into a retail installment

sales agreement or revolving credit agreement. The denial of credit for failure to enroll for said insurance shall constitute a violation of chapter ninety-three A and chapter one hundred and seventy-six D.

This subsection shall not apply to insurance for which no identifiable charge is made to the buyer or buyers.

SECTION 12. This act shall apply to group contracts upon renewal or within one year of the effective date of this act, whichever is the earlier. No replacement or reissuance of a group contract or change in the anniversary or renewal date of a group contract occurring after March first, nineteen hundred and eighty-eight, shall affect the effective date for the account to which such group contract was issued. Rates for existing accounts on the effective date of this act shall be filed in accordance with section one hundred and seventeen C of chapter one hundred and seventy-five of the General Laws. To determine the rates pursuant to said section one hundred and seventeen C insurers shall use previous experience for existing accounts regardless of whether such experience was developed in periods preceding the effective date of this act.

House of Representatives, November 17, 1988.

Passed to be enacted, *George Luccioni*, Speaker.

In Senate, November 21, 1988.

Passed to be enacted, *Ann Buckley*, President.

November 30, 1988.

Approved,

*William H. McGowan*  
Governor.





*The Commonwealth of Massachusetts*  
*Joint Committee on Insurance*  
*Room 257*  
*General Court of Massachusetts*  
*State House, Boston 02133*  
*722-2220*

LINDA J. MELCONIAN  
SENATE CHAIRMAN

FRANCIS H. WOODWARD  
HOUSE CHAIRMAN

INSURANCE COMMITTEE 1988 HEARING SCHEDULE

ROOM 257 10:30 A.M.

February 10	Miscellaneous
February 17	Health
February 22	Health
February 24	Health
February 29	Automobile
March 2	Automobile
March 7	Property and Casualty
March 9	Life/Agents
March 14	Miscellaneous
March 16	Miscellaneous

It should be noted that complex and controversial legislation may be scheduled separately so as to control the length of hearings and to allow for ample public testimony. Advance notice will be given.

The Committee generally meets in executive session after the public hearing. The material acted upon is that which received a public hearing on the previous date.

Whereas this is the second year of the 1987-1988 legislative session, the Committee will only accept written testimony on matters that were heard by the Committee during 1987. Said rule may be waived.

COMMITTEE ON INSURANCE

AGENDA

February 10, 1988

10:30 A.M.

Room 257

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S. 608 - Petition of Carol C. Amick for legislation to provide a penalty for the creation of illegal group insurance options.

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S. 618 - Petition of Walter J. Boverini for legislation relative to the provision of an optional disability insurance plan for all state employees.

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S. 628 - Petition of Paul D. Harold for legislation to direct Blue Shield of Massachusetts to make a certain payment to the Massachusetts Cerebral Palsy Association of the South Shore Area, Inc.

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S. 638 - Petition of Arthur Joseph Lewis, Jr., for legislation relative to the Insurers Insolvency Fund.

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S. 648 - Petition of Patricia McGovern, Louis P. Bertonazzi, Mary L. Padula, Robert L. Howarth and Francis H. Woodward for legislation to clarify medical malpractice insurance coverage.

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S. 683\*- Petition of Linda J. Melconian and Mary L. Padula for legislation relative to insurance and access to medical care for the subscribers of medical service corporations.

Also: S. 673\* and S. 1486\*

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H. 56 - Petition of the Executive Office of Consumer Affairs and Business Regulation for legislation relative to insurance information and privacy protection.

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H. 589\*- Petition of Marjorie A. Clapprood relative to the qualifications of witnesses as experts in certain actions involving specialists under the medical malpractice law.

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H. 590\*- Petition of Marjories A. Clapprood relative to duplicative recoveries in certain actions against health care providers under the medical malpractice law.

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H. 591\*- Petition of Marjorie A. Clapprood relative to the periodic payment of damages in certain actions involving health care providers under the medical malpractice law.

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H. 963\*- Petition of Francis G. Mara relative to mental illness benefits.

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H. 964\*- Petition of Francis G. Mara relative to the optional sale of universal life insurance to public employees.

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H. 966 - Petition of William P. Nagle, Jr., and John E. McDonough for legislation to permit public employees to negotiate for certain health insurance benefits.

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H. 967 - Petition of Timothy F. O'Leary, Stanley C. Rosenberg and John W. Oliver that certain employees of public institutions of higher education be made eligible for group insurance.

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H. 1348\*-Petition of Richard A. Voke relative to contracts between the Group Insurance Commission and certain health maintenance organizations.

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H. 1519- Petition of Robert A. Havern for legislation to provide for the limitation of liability of directors of certain insurance companies.

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H. 3666\*-Petition of Francis H. Woodward and other members of the House for investigation by a special commission (including members of the General Court) relative to motor vehicle insurance.

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COMMITTEE ON INSURANCE

AGENDA

February 17, 1988

10:30 A.M.

Room 257

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S. 613\*- Petition of Louis P. Bertonazzi for legislation to provide lower insurance rates for non-smokers.

Also: S. 619\*

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S. 617\*- Petition of Louis P. Bertonazzi for legislation to require insurance companies, hospital service corporations and medical service corporations to provide certain preventive care services for children.

Also: H. 1339\*

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S. 635 - Petition of William R. Keating and Michael W. Morrissey for legislation relative to the creation of a state health insurance pool for arthritis and other chronic disease coverage.

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S. 640 - Petition of Linda J. Melconian for legislation relative to health insurance for surviving spouses and children.

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S. 641\*- Petition of Linda J. Melconian for legislation relative to the insurance coverage of early intervention services.

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S. 661\*- Petition of Linda J. Melconian for legislation to require subscription certificates under medical service agreements to provide expense for chiropractic service.

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S. 668\*- Petition of Mary L. Padula for legislation relative to disclosure of coverage by health insurers.

Also: H. 962\* and H. 2102\*

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S. 676 - Petition of Paul J. Sheehy for legislation to further regulate health insurance benefits.

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S. 684\*- Petition of Virginia L. Tierney and Robert D. Wetmore for legislation to provide for the inclusion of custodial or nursing home care costs for persons with Alzheimer's disease in health insurance policies.

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H. 1142\*-Petition of Barbara E. Gray and Robert J. Bohigian relative to amending the health insurance laws to provide for continuing coverage for spouses of deceased persons.

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H. 2895- Petition of David B. Cohen that mental health providers be included in health maintenance organizations.

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H. 3264\*-Petition of Michael P. Walsh relative to clarifying the rights of subscribers to non-profit medical service plans.

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\*WRITTEN TESTIMONY ONLY

## COMMITTEE ON INSURANCE

### AGENDA

February 22, 1988

10:30 A.M.

Room 257

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S. 612\*- Petition of Louis P. Bertonazzi for legislation to provide lower insurance rates for non-drinkers.

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S. 614 - Petition of Louis P. Bertonazzi for legislation to provide lower insurance rates for persons receiving the benefits of community water fluoridation.

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S. 615\*- Petition of Louis P. Bertonazzi for legislation to provide employees the right to change health plans.

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S. 616\*- Petition of Louis P. Bertonazzi for legislation to grant the Commissioner of Insurance jurisdiction over certain providers of health care benefits.

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S. 673\*- Petition of Paul J. Sheehy for legislation to extend group rates to individuals purchasing health insurance.

Also: H. 2700\*

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S. 685 - Petition of Thomas P. White for legislation to require group health insurance contracts to include provisions for the furnishing of statistical reports, including claims reports, to the purchaser of the plan.

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S. 686 - Petition of Thomas P. White for legislation to require group insurance contracts purchased by governmental units to include provisions for the furnishing of statistical reports, including claims reports, to that governmental unit.

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H. 396\*- Petition of William G. Reinstein relative to the cancellation of accident and sickness insurance policies.

Also: H. 3466\*

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H. 968\*- Petition of Michael P. Walsh for legislation to further regulate certain health care plan restrictions in health insurance contracts.

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H. 1735\*-Petition of the Mass. Building Trades Council, AFL-CIO, and Richard T. Moore for legislation to provide that certain health insurance coverage shall terminate due to the remarriage of the former spouse of a group member.

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H. 2710\*-Petition of Robert L. Howarth relative to health insurance provided to students at state colleges and universities.

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H. 2711- Petition of Fred Trusten, Eleanor Myerson and other members of the General Court relative to continuing health benefits for state employees on parental leave.

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H. 2899- Petition of Frank A. Emilio relative to the approval of certain policies for accident and health insurance.

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H. 2900\*-Petition of Christopher J. Hodgkins and other members of the House that provision be made for reimbursement by insurance companies and others for services performed by licensed acupuncturists.

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H. 2901\*-Petition of Robert L. Howarth for legislation to include chiropractic services in health maintenance organization coverage.

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H. 312 - Petition of Chester A. Suhoski and another relative to the right of consumers in the selection of eye care providers.

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H. 3263\*-Petition of Michael P. Walsh relative to further regulating certain health care plan restrictions.

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\*WRITTEN TESTIMONY ONLY

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H. 3256\*-Petition of Thomas M. Finneran that provision be made for dental insurance coverage for certain public employees.

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H. 3467\*-Petition of Mary Jane Gibson, other members of the General Court and another for legislation to prohibit discrimination in disability insurance policies and the determination of premiums and benefits payable with respect to disability insurance policies.

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H. 3469- Petition of James M. Shannon and Mary Jane Gibson that provision be made for the funding for the Attorney General's representation of consumers in insurance rate matters.

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H. 4226\*-Petition of Generosa Lizza and Salvatore F. DiMasi for an investigation by a special commission (including members of the General Court) relative to the rates charged by medical and health care insurance providers.

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H. 4232\*-Petition of Paul Kollios and Albert Herren that provision be made for dental insurance coverage for state employees.

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H. 4457\*-Petition of John A. Businger and Richard R. Tisei relative to providing for an optional disability insurance plan for all employees of the Commonwealth.

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H. 4644- Petition of Frances F. Alexander relative to health insurance benefits for employees affected by plant closings.

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H. 4647- Petition of Marie-Louise Kehoe relative to additional insurance for persons in the service of counties, cities, towns and districts.

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H. 4846\*-Petition of Richard J. Morgado for legislation to exempt certain employees from providing insurance coverage for maternity benefits.

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H. 5131- Petition of David B. Cohen for legislation to provide insurance coverage for craniofacial anomalies.

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H. 5133- Petition of Riaz Hussain for legislation to further regulate repairs to fire damaged premises under certain fire insurance law.

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H. 5135- Petition of Newman Flanagan and W. Paul White relative to the insuring of property held by district attorneys pursuant to their duties as district attorney.

COMMITTEE ON INSURANCE

AGENDA

February 24, 1988

10:30 A.M.

Room 257

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S. 609 - Petition of Michael J. Barrett, Salvatore R. Albano, Nicholas J. Costello, John P. Burke, Walter A. DeFilippi and Richard A. Kraus for legislation relative to the treatment of alcoholic and drug addicted persons.

Also: H. 2276\*, H. 2492\*, H. 2896\* and H. 3125\*

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S. 610 - Petition of Louis P. Bertonazzi for legislation to require air ambulance services to be included in individual and group hospital service contracts and plans.

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S. 622 - Petition of Edward L. Burke for legislation to provide that certain health care policies cover payment for costs arising from speech and language disorders.

Also: H. 3127

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S. 623\*- Petition of Edward L. Burke, Michael J. Barrett, Argeo Paul Cellucci, Arthur Joseph Lewis, Jr., Paul J. Sheehy, John F. MacGovern and other members of the General Court for legislation to provide for the reimbursement for certified registered nurse anesthetist services.

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S. 631 - Petition of James M. Shannon, Attorney General, and John Patrick Houston for legislation to require notice to employees within certain medical plans prior to cancellation of health benefits.

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S. 642\*- Petition of David H. Locke for legislation to require notice to employees prior to cancellation of group insurance.

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S. 671 - Petition of Mary L. Padula, Argeo Paul Cellucci, Linda J. Melconian, Peter C. Webber and Mary Jane McKenna that provision be made for an investigation and study by a special commission (including members of the General Court) relative to overlapping health care coverage involving health maintenance organizations and Blue Cross, Blue Shield.

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S. 674 - Petition of Martin T. Reilly for legislation to require health insurance coverage to insure the cost of administering oxygen.

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S. 679 - Petition of Joseph B. Walsh for legislation relative to non-group rate filings with the Commissioner of Insurance.

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H. 588\*- Petition of Marjorie A. Clapprood for an investigation by a special commission (including members of the General Court) relative to the reimbursement practices of certain health plans concerning coverage for cardiac rehabilitation expenses.

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H. 593\*- Petition of Kevin Poirier for legislation to require health insurance policies to provide benefits for diabetes patients.

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H. 1335\*-Petition of Joseph M. Connolly for legislation to require independent audits of nonprofit hospital service corporations and medical service corporations.

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H. 3123\*-Petition of Kevin W. Fitzgerald relative to providing health maintenance organization coverage for uninsured residents of the Commonwealth.

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\*WRITTEN TESTIMONY ONLY

COMMITTEE ON INSURANCE

AGENDA

February 29, 1988

10:30 A.M.

Room 257

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S. 620 - Petition of Robert C. Buell for legislation to exempt certain insurance companies from the Massachusetts motor vehicle liability insurance pool.

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S. 625\*- Petition of John P. Burke for legislation relative to computation of automobile insurance rates.

Also: S. 632, S. 640\*, S. 645\*, S. 647, S. 650\*, S. 651, S. 654, S. 659\*, S. 681\*, S. 682\*, S. 1442\*, S. 1524, H. 395\*, H. 397\*, H. 398\*, H. 592, H. 1145\*, H. 1521\*, H. 1733\*, H. 2099\*, H. 2105\*, H. 2494\*, H. 3258\*, H. 3659\*, H. 3822\*, H. 4024, H. 4461 & H. 5074

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H. 1520\*-Petition of Pamela McLaughlin relative to the rates for motor vehicle insurance charged to physically handicapped persons.

Also: 2495\*

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\*WRITTEN TESTIMONY ONLY

COMMITTEE ON INSURANCE

AGENDA

March 2, 1988

10:30 A.M.

Room 257

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S. 611\*- Petition of Louis P. Bertonazzi for legislation to provide for a thirty-five percent reduction in premium charges if an insuree certifies that he or she and their passengers regularly use seat belts.

Also: S. 683\*, H. 965\*, H. 3470\* and H. 4023\*

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S. 621\*- Petition of Robert C. Buell, Thomas G. Paulumbo and David J. Lane for legislation to further authorize insurance of liabilities incurred in the operation of motor vehicles by non-owners or in the operation of hired motor vehicles.

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S. 624\*- Petition of John P. Burke for legislation to correct certain deficiencies in the safe driver insurance plan, so-called.

Also: H. 1336\*, H. 1522, H. 2277\*, H. 2278\* and H. 2493\*

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S. 626 - Petition of Nicholas J. Costello and Thomas G. Palumbo for legislation to require ninety day notice for non-renewal, cancellation or increase in premium of insurance policies.

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S. 628\*- Petition of William E. Golden, Salvatore R. Albano and other members of the General Court for legislation to promote public safety through certain safe driving programs.

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S. 633 - Petition of John Patrick Houston for legislation to make group automobile insurance available to employees of the Commonwealth.

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S. 637\*- Petition of Arthur Joseph Lewis, Jr., for legislation relative to the availability of certain coverages through the Commonwealth automobile reinsurers.

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S. 644 - Petition of Linda J. Melconian for legislation relative to housewives' rights under personal injury protection.

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S. 648 - Petition of Linda J. Melconian for legislation to regulate motor vehicle insurance premium charges.

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S. 660 - Petition of Linda J. Melconian for legislation relative to automobile insurance coverage for persons convicted of operating under the influence of liquor.

Also: H. 2707\* and H. 4027\*

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H. 399\*- Petition of Gregory W. Sullivan that provision be made for the reimbursement of certain overcharges of motor vehicle insurance premiums to owners of taxicabs.

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H. 1734 - Petition of Richard T. Moore relative to motor vehicle insurance payments for collision repair.

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H. 1737\*-Petition of Gregory W. Sullivan relative to automobile liability insurance on certain commercial vehicles.

Also: H. 1738\*

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H. 400 - Petition of Francis H. Woodward relative to collision, comprehensive and loss of use coverage in insurance for motor vehicles.

Also: H. 2106

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H. 3261\*-Petition of Michael P. Walsh and Jonathan L. Healy that the Commissioner of Insurance be authorized to establish a schedule of motor vehicle insurance discounts for low mileage drivers.

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H. 3660\*-Petition of Barbara Hildt and Nicholas J. Costello for legislation to regulate surcharges on motor vehicle insurance.

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H. 3665- Petition of William B. Vernon relative to increasing the minimum amount of motor vehicle liability insurance required for taxicabs.

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H. 3819\*-Petition of Emanuel G. Serra for legislation to provide that automobile insurance premiums be based on individual driving records.

Also: H. 4026\*

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H. 3820\*-Petition of Emanuel G. Serra relative to insurable interest in certain vehicles.

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H. 3823\*-Petition of Emanuel G. Serra relative to automobile insurance fraud.

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H. 4025\*-Petition of Melvin Silberstein for legislation to prohibit the use of geographical location in setting motor vehicle insurance rates.

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H. 4460- Petition of William G. Reinstein relative to regulating the setting of rates for motor vehicle insurance.

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H. 4643- Petition of Frances F. Alexander relative to collision damage insurance on rental cars.

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H. 4646\*-Petition of Robert A. Durand relative to insurance coverage on motor vehicles.

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\*WRITTEN TESTIMONY ONLY

COMMITTEE ON INSURANCE

AGENDA

March 9, 1988

10:30 A.M.

Room 257

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S. 663 - Petition of Linda J. Melconian for legislation to further regulate the licensing of insurance agents and brokers.

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S. 664 - Petition of Linda J. Melconian for legislation relative to the business practices of insurers, agents and brokers.

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S. 672 - Petition of Lois G. Pines, Richard A. Kraus, Michael J. Barrett and Peter C. Webber for legislation relative to the regulation and sale of credit life insurance and credit accident and health insurance.

Also: S. 677, H. 52, H. 1337\*, H. 3126\* H. 4227\* and H. 4228

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H. 401 - Petition of Francis H. Woodward relative to certain proprietary information of insurance agents and brokers.

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H. 2108- Petition of Francis H. Woodward for legislation to make certain changes in the insurers liquidation law.

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H. 2109\*-Petition of Francis H. Woodward for legislation to further regulate the licensing of insurance advisors.

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H. 2709- Petition of Richard M. Gaberman relative to interest on proceeds from insurance companies payable upon the death of the insured.

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H. 3825- Petition of Michael P. Walsh and another for legislation to authorize payroll deductions for life insurance premiums under employer-sponsored programs.

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COMMITTEE ON INSURANCE

AGENDA

March 14, 1988

10:30 A.M.

Room 257

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S. 678 - Petition of Joseph B. Walsh for legislation to authorize organizations to enter into preferred provider agreements for health care benefits.

Also: H. 57

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S. 1443\*- Petition of Francis D. Doris for legislation relative to fraudulent health insurance claims.

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H. 1883- Petition of Kevin P. Blanchette and Daniel E. Bosley relative to increasing life insurance benefits for public employees.

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H. 2103\*-Petition of Francis G. Mara relative to making certain changes in the medical malpractice reform law.

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H. 3260-\* Petition of Michael P. Walsh, Shannon P. O'Brien and Walter A. DeFilippi for legislation to require persons or organizations filing legislative proposals relative to mandating health coverage by insurance carriers to submit a report to the legislative committee having jurisdiction on the social and financial impact of such coverage.

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H. 3263- Petition of Michael P. Walsh relative to further regulating certain health care plan restrictions.

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H. 3264\*-Petition of Michael P. Walsh relative to clarifying the rights of subscribers to non-profit medical service plans.

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H. 3655\*-Petition of Sherwood Guernsey relative to regulating medical malpractice insurance.

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\*WRITTEN TESTIMONY ONLY

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- H. 3824- Petition of Barry G. Trahan that health insurance providers be required to reimburse patients for the use of prescription drugs.
- 
- H. 4459- Petition filed at the request of Generosa Zizza for legislation to establish a consumer assistance service board to assist purchasers of insurance in the understanding of rights under coverage plans.
- 
- H. 4845\*-Petition of William Constantino, Jr., for legislation to clarify the definition of "infertility" under certain insurance laws of the Commonwealth.
- 
- H. 4847- Petition of Barbara Hildt for legislation to further regulate motor vehicle liability insurance.
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- H. 4848- Petition of Charles W. Mann that insurers offering motor vehicle liability insurance be required to notify insureds of all claims against them.
- 
- H. 4849- Petition of Michael P. Walsh and Robert L. Howarth relative to adjusting the method of paying the premiums for medical malpractice insurance.
- 
- H. 5014\*-Petition of Ellen M. Canavan relative to the inclusion of a certain statement on all bills for motor vehicle liability insurance.
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- H. 5015- Petition of Ellen M. Canavan that provision be made for insurance coverage for certain surgical procedures.
- 
- H. 5016\*-Petition of Mary Jeanette Murray relative to the cancellation and non-renewal of certain insurance policies.
- 
- H. 5132\*-Petition of Michael F. Flaherty relative to benefits for certain mental health patients under the mental health program.
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\*WRITTEN TESTIMONY ONLY

COMMITTEE ON INSURANCE

AGENDA

March 16, 1988

10:30 A.M.

Room 257

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S. 627\*- Petition of William B. Golden, John P. Burke, Mary Jeanette Murray, Frank M. Hynes and Peter C. Webber for legislation relative to the availability of insurance coverages in the voluntary market.

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S. 652\*- Petition of Linda J. Melconian for legislation to increase the availability of health insurance in the Commonwealth.

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S. 666\*- Petition of Linda J. Melconian for legislation to prohibit discrimination in insurance policies.

Also: H. 3124\*, H. 3821\*, H. 4029\*, H. 4030\* & H. 4231\*

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S. 679 - Petition of Joseph B. Walsh for legislation relative to non-group rate filings with the Commissioner of Insurance.

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H. 54\* - Petition of the Executive Office of Consumer Affairs and Business Regulation further restricting discrimination by insurers against the blind, physically impaired and mentally retarded.

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H. 401 - Petition of Francis H. Woodward relative to certain proprietary information of insurance agents and brokers.

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H. 2100\*-Petition of Sherwood Guernsey relative to the periodic payment of damages in certain actions involving health care providers under the medical malpractice law.

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H. 2897- Petition of David B. Cohen relative to insurance offered by telephone companies.

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## COMMITTEE ON INSURANCE

### AGENDA

March 23, 1988

10:30 A.M.

Room 257

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S. 620 - Petition (accompanied by bill, Senate, No. 620) of Robert C. Buell for legislation to exempt certain insurance companies from the Massachusetts motor vehicle liability insurance pool. Insurance.

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S. 641\*- Petition (accompanied by bill, Senate, No. 641) of Arthur Joseph Lewis, Jr., for legislation relative to the availability of certain coverages through the Commonwealth automobile reinsurers. Insurance.

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S. 653\*- Petition (accompanied by bill, Senate, No. 653) of Linda J. Melconian and Mary L. Padula for legislation relative to insurance and access to medical care for the subscribers of medical service corporations. Insurance.

Also: S. 673\*, H. 2104\*, H. 3259\*

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S. 655\*- Petition (accompanied by bill, Senate, No. 655) of Linda J. Melconian for legislation relative to auto insurance data compiled by the Commissioner of Insurance. Insurance.

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S. 656\*- Petition (accompanied by bill, Senate, No. 656) of Linda J. Melconian for legislation relative to disclosure of coverage by health insurers. Insurance.

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S. 657\*- Petition (accompanied by bill, Senate, No. 657) of Linda J. Melconian for legislation to provide for insurance coverage for Alzheimer's disease and other custodial care in nursing homes. Insurance.

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S. 658\*- Petition (accompanied by bill, Senate, No. 658) of Linda J. Melconian for legislation to increase the availability of Medex insurance coverage. Insurance.

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S. 678 - Petition (accompanied by bill, Senate, No. 678) of Joseph B. Walsh for legislation to authorize organizations to enter into preferred provider agreements for health care benefits. Insurance.

Also: H. 57

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H. 53\*- Petition relative to the enforcement of the insurance laws.

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H. 55\*- Petition relative to health maintenance organizations.

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H. 56 - Petition relative to insurance information and privacy protection.

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H. 969\*- Petition of (accompanied by bill, House, No.969) of Michael P. Walsh relative to clarifying the rights of subscribers to non-profit medical service plans. Insurance.

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H. 1736 - Petition (accompanied by bill, House, No. 1736) of Stanley C. Rosenberg and Jonathan L. Healy that provision be made for group insurance benefits for certain part-time public employees. Insurance.

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H. 2101\* -Petition (accompanied by bill, House, No. 2101) of Sherwood Guernsey relative to the qualification of witnesses as experts in certain actions involving specialists under the medical malpractice law. Insurance.

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H. 2705 -Petition (accompanied by bill, House, No. 2705) of Fred Trusten and Daniel E. Bosley relative to increasing the membership of the Group Insurance Commission. Insurance.

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H. 3257- Petition (accompanied by bill, House, No. 3267) of Michael P. Walsh that purchasers and others entering into arrangements with clinical laboratories be deemed to be engaged in the business of insurance. Insurance.

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H. 3536- Petition (accompanied by bill, House No. 3656) of Sherwood Guernsey relative to the payment of interest on certain medical malpractice judgements. Insurance.

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Also: H. 3657 \*

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H. 3658\*-Petition (accompanied by bill, House, No. 3568) of Sherwood Guernsey for legislation to further regulate certain medical malpractice insurance policies. Insurance.

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H. 3664-\* Joint petition (accompanied by bill, House, No. 3664) of Henri S. Rauschenbach, Robert Correia, John W. Olver, Thomas S. Cahir and Kenneth M. Lemanski for legislation further clarifying health maintenance organization coverage for public employees. Insurance.

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H. 4225- Petition (accompanied by bill, House, No. 4225) of Charles N. Decas relative to the insurance required for plumbing work performed by municipal employees. Insurance.

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Also: H. 5134

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H. 4230\* - Petition (accompanied by bill, House, No. 4230) of Salvatore F. DiMasi that provision be made for lower insurance rates for non-smokers. Insurance.

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H. 4458\* - Petition (accompanied by bill, House, No. 4458) of David B. Cohen relative to the insurance coverage of early intervention services provided by certain licensed professionals. Insurance.

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H. 4843 - Petition (accompanied by bill, House, No. 4843) of Theodore J. Aleixo, Jr., and another for legislation to require equal payments for employee health benefit plans. Insurance.

Also: H. 4844

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H. 4883 \* - Petition of Steven D. Pierce and other members of the General Court relative to establishing a statewide toll free tip line for reporting information on stolen cars and suspected auto theft activities.

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H. 5130 - Petition (accompanied by bill, House, No. 5130) of Kevin P. Blanchette that provision be made for dental and vision insurance benefits for certain public employees. Insurance.

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H. 5256 - Petition of Michael F. Flaherty relative to the Board of Appeal on Motor Vehicle Liability Policies and Bonds.

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H. 5211 - Petition of Michael W. Morrissey relative to mutual fire insurance companies which maintains a surplus to policy holders. Insurance.

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COMMITTEE ON INSURANCE

AGENDA

March 30, 1988

10:30 A.M.

Room 257

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H. 5234- Petition of the Professional Fire Fighters of Massachusetts and Michael F. Flaherty for legislation to increase the powers of the Insurance Advisory Committee.

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H. 5304- Petition of Sherwood Guernsey for legislation to further regulate liability insurance.

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COMMITTEE ON INSURANCE

AGENDA

April 25, 1988

10:30 A.M.

Room 257

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- S. 69\* - Petition of Francis D. Doris for legislation to authorize the merger of Blue Shield of Massachusetts, Inc. into Blue Cross of Massachusetts, Inc.
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- S. 1567 - Petition of Martin T. Reilly for legislation to further define the issuance of certain accident and sickness insurance providing coverage of medically necessary diagnosis and treatment of infertility.
- 
- S. 1593\* - Petition of Royal L. Bolling, Sr., for legislation relative to dental and vision benefits for certain employees of the Commonwealth and others.
- 
- H. 5312 - Petition of Lawrence R. Alexander and Charles E. Silvia for legislation to further protect elderly persons' supplemental Medicare insurance policies.
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- H. 5423 - Petition of Michael F. Flaherty for legislation to increase the amount of death or funeral benefits which may be paid by the Metropolitan District Police Relief Association Incorporated.
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THE DISPOSITION OF ALL INSURANCE LEGISLATION

THE FOLLOWING IS A BREAKDOWN ACCORDING TO NUMERICAL ORDER OF ALL  
LEGISLATION THAT CAME BEFORE THE COMMITTEE.

## INSURANCE

- S. 69      Petition of Francis D. Doris for legislation to authorize the merger of Blue Shield of Massachusetts, Inc., into Blue Cross of Massachusetts, Inc.  
- Hearing date April 25 A.M.  
- Accompanied a new draft, see S1795
- S. 607      Petition of Carol C. Amick and John W. Olver for legislation relative to notice of nonrenewal of insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see S1702
- S. 608      Petition of Carol C. Amick for legislation to provide a penalty for the creation of illegal group insurance options.  
-Hearing date February 10 A.M.  
-Accompanied a study order, see S1702
- S. 609      Petition of Michael J. Barrett, Salvatore R. Albano, Nicholas . Costello, John P. Burke, Walter A. DeFilippi and Richard A. Kraus for legislation relative to the treatment of alcoholic and drug addicted persons.  
-Hearing date February 24 A.M.  
-Accompanied a study resolve, see S1677
- S. 610      Petition of Louis P. Bertonazzi for legislation to require air ambulance services to be included in individual and group hospital service contracts and plans.  
-Hearing date February 24 A.M.  
-Accompanied a new draft, see S1789
- S. 611      Petition of Louis P. Bertonazzi for legislation to provide for a thirty-five percent reduction in premium charges if an insuree certifies that he or she and their passengers regularly use seat belts.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417
- S. 612      Petition of louis P. Bertonazzi for legislation to provide lower insurance rates for non-drinkers.  
-Hearing date February 22 A.M.  
-Accompanied a study resolve, see H5396
- S. 613      Petition of Louis P. Bertonazzi for legislation to provide lower insurance rates for non-smokers.  
-Hearing date February 17 A.M.  
-Accompanied a new draft, see S1715

- S. 614      Petition of Louis P. Bertonazzi for legislation to pro-vide lower insurance for persons receiving the benefits of community water fluoridation.  
-Hearing date February 22 A.M.  
-Committee Ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 615      Petition of Louis P. Bertonazzi for legislation to provide employees the right to change health plans.  
-Hearing date February 22 A.M.  
-Committee ought to pass with an amendment
- S. 616      Petition of Louis P. Bertonazzi for legislation to grant the Commissioner of Insurance jurisdiction over certain providers of health care benefits.  
-Hearing date February 22 A.M.  
-Accompanied a study order, see S1702
- S. 617      Petition of Louis P. Bertonazzi for legislation to require insurance companies, hospital service corporations and medical service corporations to provide certain preventive care services for children.  
-Hearing date February 17 A.M.  
-Committee ought not to pass and recommended to Senate Steering and Policy.
- S. 618      Petition of Walter J. Boverini for legislation relative to the provision of an optional disability insurance plan for all state employees.  
-Hearing date February 10 A.M.  
-Accompanied a study order, see S1702
- S. 619      Petition of John A. Brennan, Jr., Lucile P. Hicks, the Group Against Smoking Pollution (GASP) of Massachusetts by Edward L. Sweda, Jr., and other members of the General Court for legislation to reduce life and health insurance rates for nonsmokers.  
-Hearing date February 17 A.M.  
-Accompanied a new draft, see S1715
- S. 620      Petition of Robert C. Buell for legislation to exempt certain insurance companies from the Massachusetts motor vehicle liability insurance pool.  
-Hearing date March 23 A.M.  
-Accompanied a new draft, see H5417

- S. 621      Petition of Robert C. Buell, Thomas G. Palumbo and David J. Lane for legislation to further authorize insurance of liabilities incurred in the operation of motor vehicles by non-owners or in the operation of hired motor vehicles.  
-Hearing date March 2 A.M.  
-Committee ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 622      Petition of Edward L. Burke for legislation to provide that certain health care policies cover payment for costs arising from speech and language disorders.  
-Hearing date March 28 A.M.  
-Accompanied a new draft, see S1656
- S. 623      Petition of Edward L. Burke, Michael J. Barrett, Argeo Paul Cellucci, Arthur Joseph Lewis, Jr., Paul J. Sheehy, John F. MacGovern and other members of the General Court for legislation to provide for the reimbursement for certified registered nurse anesthetist services.  
-Hearing date February 24 A.M.  
-Bill reported favorably by committee and referred to the committee on SENATE WAYS AND MEANS.
- S. 624      Petition of John P. Burke for legislation to correct certain deficiencies in the safe driver insurance plan, so-called.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417
- S. 625      Petition of John P. Burke for legislation relative to computation of automobile insurance rates.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417
- S. 626      Petition of Nicholas J. Costello and Thomas G. Palumbo for legislation to require ninety day notice for non-renewal, cancellation or increase in premium of insurance policies.  
-Hearing date March 2 A.M.  
-Committee ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 627      Petition of William P. Golden, John P. Burke, Mary Jeanette Murray, Frank M. Hynes and Peter C. Webber for legislation relative to the availability of insurance coverages in the voluntary market.  
-Hearing date March 16 A.M.  
-Accompanied a study order, see S1702

- S. 628      Petition of William P. Golden, Salvatore R. Albano and other members of the General Court for legislation to promote public safety through certain safe driving programs.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702
- S. 629      Petition of William P. Golden, Michael J. Barrett, John P. Burke, Peter C. Webber, Frank M. Hynes and other members of the House of Representatives for legislation relative to pollution liability insurance.  
-Hearing date March 7 A.M.  
-Committee ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 630      Petition of Paul D. Harold for legislation to direct Blue Shield of Massachusetts to make a certain payment to the Massachusetts Cerebral Palsy Association of the South Shore Area, Inc.  
-Hearing Date February 10 A.M.  
-Accompanied a study order, see S1702
- S. 631      Petition of James M. Shannon, Attorney General, and John Patrick Houston for legislation to require notice to employees within certain medical plans prior to cancellation of health benefits.  
-Hearing date February 24 A.M.  
-Order extending reporting time filed relative to this matter.
- S. 632      Petition of John Patrick Houston for legislation relative to the establishment of the auto insurance cost containment council.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417
- S. 633      Petition of John Patrick Houston for legislation to make group automobile insurance available to employees of the Commonwealth.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702
- S. 634      Petition of John Patrick Houston, Linda J. Melconian and John P. Burke for legislation relative to pollution liability reinsurance.  
-Hearing date March 7 A.M.  
-Committee ought not to pass and referred to the committee on Senate Steering and Policy.

- S. 635      Petition of William R. Keating and Michael W. Morrissey for legislation relative to the creation of a state health insurance pool for arthritis and other chronic disease coverage.  
-Hearing date February 17 A.M.  
-Committee ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 636      Petition of William R. Keating, Frederick E. Berry, Lois G. Pines, Michael W. Morrissey, Robert Emmet Hayes and Susan F. Rourke for legislation to provide medical benefits for ulcerative colitis and other diseases.  
-Hearing date March 7 A.M.  
-Committee ought not to pass and referred to committee on Senate Steering and Policy.
- S. 637      Petition of Arthur Joseph Lewis, Jr., for legislation relative to the availability of certain coverages through the Commonwealth automobile reinsurers.  
-Hearing date March 2 A.M.  
-Committee ought not to pass and referred to committee on Senate Steering and Policy.
- S. 638      Petition of Arthur Joseph Lewis, Jr., for legislation relative to assigned risk insurance policies.  
-Hearing date March 7 A.M.  
-Accompanied H402.
- S. 639      Petition of Arthur Joseph Lewis, Jr., for legislation relative to the Insurers Insolvency Fund.  
-Hearing date February 10 A.M.  
-Accompanied a new draft. see S1716.
- S. 640      Petition of Arthur Joseph Lewis, Jr., for legislation relative to the limits of liability for uninsured and underinsured motor vehicle insurance coverage.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 641      Petition of Arthur Joseph Lewis, Jr., for legislation relative to the availability of a certain coverages through the Commonwealth automobile reinsurers.  
-Hearing date March 23 A.M.  
-Committee ought not to pass and referred to committee on Senate Steering and Policy.

- S. 642      Petition of David H. Locke for legislation to require notice to employees prior to cancellation of group insurance.  
-Hearing date February 24 A.M.  
-Order extending reporting time filed relative to this matter.
- S. 643      Petition of Patricia McGovern, Louis P. Bertonazzi, Mary L. Padula, Robert L. Howarth and Francis H. Woodward for legislation to clarify medical malpractice insurance coverage.  
-Hearing date February 10 A.M.  
-Accompanied a new draft, see S1509.
- S. 644      Petition of Linda J. Melconian for legislation relative to housewives' rights under personal injury protection.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- S. 645      Petition of Linda J. Melconian for legislation relative to reforming the automobile insurance laws of the Commonwealth.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 646      Petition of Linda J. Melconian for legislation relative to health insurance for surviving spouses and children.  
-Hearing date February 17 A.M.  
-Accompanied a new draft, see S1708.
- S. 647      Petition of Linda J. Melconian for legislation to further regulate the appraisal of motor vehicle damage.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 648      Petition of Linda J. Melconian for legislation to regulate motor vehicle insurance premium charges.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- S. 649      Petition of Linda J. Melconian for legislation relative to the insurance coverage of early intervention services.  
-Hearing date February 17 A.M.  
-Reported favorably and referred to the committee on Senate Ways and Means.
- S. 650      Petition of Linda J. Melconian for legislation relative to reforming auto insurance.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.

- S. 651      Petition of Linda J. Melconian for legislation to increase the minimum limits of liability under motor vehicle liability bonds and motor vehicle liability policies.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 652      Petition of Linda J. Melconian for legislation to increase the availability of health insurance in the Commonwealth.  
-Hearing date March 16 A.M.  
-Accompanied a study order, see H5978.
- S. 653      Petition of Linda J. Melconian and Mary L. Padula for legislation relative to insurance and access to medical care for the subscribers of medical service corporations.  
-Hearing date March 23 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 654      Petition of Linda J. Melconian for legislation relative to automobile insurance premium charges.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 655      Petition of Linda J. Melconian for legislation relative to auto insurance data compiled by the Commissioner of Insurance.  
-Hearing date March 23 A.M.  
-Accompanied a new draft, see H5417.
- S. 656      Petition of Linda J. Melconian for legislation relative to disclosure coverage by health insurers.  
-Hearing date March 23 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 657      Petition of Linda J. Melconian for legislation to provide for insurance coverage for Alzheimer's disease and other custodial care in nursing homes.  
-Hearing date March 23 A.M.  
-Accompanied a study order, see H5978.
- S. 658      Petition of Linda J. Melconian for legislation to increase the availability of Medex insurance coverage.  
-Hearing date March 23 A.M.  
-Bill reported favorably by committee and referred to the committee on Senate Steering and Policy.

- S. 659      Petition of Linda J. Melconian and Francis H. Woodward for legislation relative to uninsured motor vehicles.  
-Hearing date February 29 A.M.  
-Accompanied a study order, see S1702.
- S. 660      Petition of Linda J. Melconian for legislation relative to automobile insurance coverage for persons convicted of operating under the influence of liquor.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- S. 661      Petition of Linda J. Melconian for legislation to require subscription certificates under medical service agreements to provide expense for chiropractic service.  
-Hearing date February 17 A.M.  
-Ought not to pass and referred to committee on Senate Steering and Policy.
- S. 662      Petition of the Associated General Contractors of Massachusetts, Inc., by William D. Kane, and Linda J. Melconian for legislation to prohibit gaps in coverage in certain insurance policies.  
-Hearing date March 7 A.M.  
-Accompanied a new study order, see H5978.
- S. 663      Petition of Linda J. Melconian for legislation to further regulate the licensing of insurance agents and brokers.  
-Hearing date March 9 A.M.  
-Accompanied a new study order, see H5978.
- S. 665      Petition of Linda J. Melconian for legislation to require insurance companies desiring to withdraw a certain notification.  
-Hearing date March 7 A.M.  
-Accompanied H403.
- S. 666      Petition of Linda J. Melconian for legislation to prohibit discrimination in insurance policies.  
-Hearing date March 16 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 667      Petition of Mary L. Padula for legislation relative to the pricing of the claims made policies for medical malpractice insurance.  
-Hearing date March 7 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.

- S. 668      Petition of Mary L. Padula for legislation relative to disclosure of coverage by health insurers.  
-Hearing date February 17 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 669      Petition of Mary L. Padula, Angelo Picucci, Paul V. Doane and Peter C. Webber for legislation relative to the payment of deferred medical malpractice insurance premiums.  
-Hearing date March 7 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 670      Petition of Mary L. Padula, Angelo Picucci, Paul V. Doane and Peter C. Webber for legislation relative to the establishment of medical malpractice insurance rates.  
-Hearing date March 7 A.M.  
-Accompanied a study order, H5978.
- S. 671      Petition of Mary L. Padula, Argeo Paul Cellucci, Linda J. Melconian, Peter C. Webber and Mary Jane McKenna that provision be made for an investigation and study by a special commission (including members of the General Court) relative to overlapping health care coverage involving health maintenance organizations and Blue Cross/Blue Shield.  
-Hearing date February 24 A.M.  
-Ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 672      Petition of Lois G. Pines, Richard A. Kraus, Michael J. Barrett and Peter C. Webber for legislation relative to the regulation and sale of credit life insurance and credit accident and health insurance.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see S1790.
- S. 673      Petition of Martin T. Reilly for legislation relative to increasing access to medical care for subscribers to medical service corporations.  
-Hearing date February 23 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 674      Petition of Martin T. Reilly for legislation to require health insurance coverage to insure the cost of administering oxygen.  
-Hearing date February 24 A.M.  
-Accompanied a study order, see H5978.

- S. 675      Petition of Paul J. Sheehy for legislation to extend group rates to individuals purchasing health insurance.  
-Hearing date February 22 A.M.  
-Ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 676      Petition of Paul J. Sheehy for legislation to further regulate health insurance benefits.  
-Hearing date February 17 A.M.  
-Ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 677      Petition of Paul J. Sheehy for legislation relative to credit life and credit accident and health insurance sold in connection with consumer credit transactions.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see 1790.
- S. 678      Petition of Joseph B. Walsh for legislation to authorize organizations to enter into preferred provider agreements for health care benefits.  
-Hearing date March 14 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 679      Petition of Joseph B. Walsh for legislation relative to non-group rate filings with the Commissioner of Insurance.  
-Hearing date March 16 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 680      Petition of Peter C. Webber for legislation relative to asbestos removal legal liability insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- S. 681      Petition of Peter C. Webber and Robert F. Jakubowicz for legislation relative to uninsured motor vehicle liability insurance coverage.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 682      Petition of Peter C. Webber and Sherwood Guernsey for legislation to require inspections of motor vehicles by insurers.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.

- S. 683      Petition of Peter C. Webber and Sherwood Guernsey for legislation to provide reduced insurance premiums by pledging certain conduct while operating a motor vehicle.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- S. 684      Petition of Virginia L. Tierney and Robert D. Wetmore for legislation to provide for the inclusion of custodial or nursing home care costs for persons with Alzheimer's disease in health insurance policies.  
-Hearing date February 17 A.M.  
-Bill reported favorably by committee and referred to the committee on Senate Steering and Policy.
- S. 685      Petition of Thomas P. White for legislation to require group health insurance contracts to include provisions for the furnishing of statistical reports, including claims reports, to the purchaser of the plan.  
-Hearing date February 22 A.M.  
-Accompanied a study order, see H5978.
- S. 686      Petition of Thomas P. White for legislation to require group insurance contracts purchased by governmental units to include provisions for the furnishing of statistical reports, including claims reports, to that governmental unit.  
-Hearing date February 22 A.M.  
-Ought not to pass and referred to the committee on Senate Steering and Policy.
- S. 1442      Petition of Francis D. Doris for legislation to provide that classifications of risks and premium charges under the compulsory motor vehicle liability insurance law be uniform throughout the Commonwealth.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 1443      Petition of Francis D. Doris for legislation relative to fraudulent health insurance claims.  
-Hearing date March 14 A.M.  
-Enacted and laid before the Governor.
- S. 1486      Petition of Linda J. Melconian for legislation relative to Medex insurance.  
-Hearing date February 10 A.M.  
-Accompanied a new draft, see S1510.

- S. 1524      Petition of Linda J. Melconian for legislation relative to comprehensive automobile insurance reform.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- S. 1567      Petition of Martin T. Reilly for legislation to further define the issuance of certain accident and sickness insurance providing coverage of medically necessary diagnosis and treatment of infertility.  
-Hearing date April 25 A.M.  
-Bill reported favorably by the committee and referred to the committee on Senate Steering and Policy.
- S. 1593      Petition of Royal L. Bolling, Sr., for legislation relative to dental and vision benefits for certain employees of the Commonwealth and others.  
-Hearing date April 25 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 1664      Petition of John Patrick Houston, Tom Rogers and Joseph McGinn for legislation to roll back unreasonable and excessive automobile insurance rates for 1987 and 1988 and to stabilize rates for 1989.  
-Hearing date May 23 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 1726      Petition of Gordon Swirsky for legislation relative to the establishment of a data-gathering, data-retrieval system by the Commissioner of Insurance.  
-Hearing date May 23 A.M.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 1800      Petition of Sydney H. Brodsky for legislation to reduce automobile insurance rates for persons with limited and fixed income.  
-Ought not to pass (under Joint Rule 10) and referred to the committee on Senate Steering and Policy.
- S. 1888      Petition of John F. Parker that provision be made for an investigation and study by a special commission (including members of the General Court) relative to the abolition of compulsory auto insurance.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.

- H. 52      So much of the recommendations of the Executive Office of Consumer Affairs and Business Regulation as relates to the regulation and sale of credit life insurance and credit accident and health insurance.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see S1790.
- H. 53      So much of the recommendations of the Executive Office of Consumer Affairs and Business Regulation as relates to the enforcement of the insurance laws.  
-Hearing date March 23 A.M.  
-Accompanied a study order, see H5903.
- H. 54      So much of the recommendations of the Executive Office of Consumer Affairs and Business Regulation as relates to further restricting discrimination by insurers against the blind, physically impaired and mentally retarded.  
-Hearing date March 16 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 55      So much of the recommendations of the Executive Office of Consumer Affairs and Business Regulation as relates to health maintenance organizations.  
-Hearing date March 23 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 56      So much of the recommendations of the Executive Office of Consumer Affairs and Business Regulation as relates to insurance information and privacy protection.  
-Hearing date March 23 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 57      So much of the recommendations of the Executive Office of Consumer Affairs and Business Regulation as relates to the licensing and regulation of preferred provider arrangements.  
-Hearing date March 14 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.

- H. 58        So much of the recommendations of the Executive Office of Consumer Affairs and Business Regulation as relates to regulation of risk retention groups and purchasing groups.  
-Hearing date March 7 A.M.  
-Accompanied a new draft, see H5926.
- H. 145       So much of the recommendations of the Executive Office of Labor as relates to asbestos removal legal liability insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see 5978.
- H. 289       So much of the recommendations of the Department of the State Treasurer as relates to providing for the transfer of custody of insurance company bonds from said department to the Commissioner of Insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see S1702.
- H. 395       Petition of Charles Robert Doyle that classifications of risks and premium charges under the compulsory motor vehicle liability insurance law be made uniform throughout the Commonwealth.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 396       Petition of William G. Reinstein relative to the cancellation of accident and sickness insurance policies.  
-Hearing date February 22 A.M.  
-Order extending reporting time filed relative to this matter.
- H. 397       Petition of William G. Reinstein for legislation to establish a flat rate premium charge for motor vehicle insurance.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 398       Petition of William G. Reinstein for legislation to further regulate insurance rates for motor vehicles.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 399       Petition of Gregory W. Sullivan that provision be made for the reimbursement of certain overcharges of motor vehicle insurance premiums to owners of taxicabs.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.

- H. 400      Petition of Francis H. Woodward relative to collision, comprehensive and loss of use coverage in insurance for motor vehicles.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5891.
- H. 401      Petition of Francis H. Woodward relative to certain proprietary information of insurance agents and brokers.  
-Hearing date March 16 A.M.  
-Accompanied a new draft, see H5892.
- H. 402      Petition of Francis H. Woodward relative to assigned risk insurance policies.  
-Hearing date March 7 A.M.  
-Bill reported favorably by the committee and placed in the Orders of the Day for the next session.
- H. 403      Petition of Francis H. Woodward for legislation to further regulate insurance companies.  
-Hearing date March 7 A.M.  
-Bill reported favorably by the committee and place in the Orders of the Day for the next session.
- H. 588      Petition of Marjorie A. Clapprood for an investigation by a special commission (including members of the General Court) relative to the reimbursement practices of certain health plans concerning coverage for cardiac rehabilitation expenses.  
-Hearing date February 24 A.M.  
-Accompanied a study order, see S1702.
- H. 589      Petition of Marjorie A. Clapprood relative to the qualifications of witnesses as experts in certain actions involving specialists under the medical malpractice law.  
-Hearing date February 10 A.M.  
-Accompanied a study order, see S1702.
- H. 590      Petition of Marjorie A. Clapprood relative to duplicative recoveries in certain actions against health care providers under the medical malpractice law.  
-Hearing date February 10 A.M.  
-Accompanied a study order, see S1702.
- H. 591      Petition of Marjorie A. Clapprood relative to the periodic payment of damages in certain actions involving health care providers under the medical malpractice law.  
-Hearing date February 10 A.M.  
-Accompanied a study order, see S1702.

- H. 592      Petition of Thomas P. Kennedy relative to uninsured coverage for motor vehicles.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 593      Petition of Kevin Poirier for legislation to require health insurance policies to provide benefits for diabetes patients.  
-Hearing date February 24 A.M.  
-Accompanied a study order, see S1702.
- H. 932      Petition of John C. McNeil for legislation to eliminate fraudulent health care claims.  
-Hearing date March 28 A.M.  
-Accompanied S1443.
- H. 961      Petition of Ellen M. Canavan relative to certain policies for medical malpractice insurance.  
-Hearing date March 7 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 962      Petition of Ellen M. Canavan relative to public disclosure by health insurers.  
-Hearing date February 17 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 963      Petition of Francis G. Mara relative to mental illness benefits.  
-Hearing date February 10 A.M.  
-Accompanied a new draft, see H5683.
- H. 964      Petition of Francis G. Mara relative to the optional sale of universal life insurance to public employees.  
-Hearing date February 10 A.M.  
-Bill reported favorably by committee and referred to the House Ways and Means.
- H. 965      Petition of John C. McNeil for legislation to limit the amount recoverable under a motor vehicle liability insurance policy by persons not wearing seat belts at the time of a motor vehicle accident.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.

- H. 966      Petition of William P. Nagle, Jr., and John E. McDonough for legislation to permit public employees to negotiate for certain health insurance benefits.  
-Hearing date April 11 A.M.  
-Accompanied a new draft, see H5644.
- H. 967      Petition of Timothy F. O'Leary, Stanley C. Rosenberg and John W. Olver that certain employees of public institutions of higher education be made eligible for group insurance.  
-Hearing date April 25 A.M.  
-Reporting date extended to Friday, September 30th.
- H. 968      Petition of Michael P. Walsh for legislation to further regulate certain health care plan restrictions in health insurance contracts.  
-Hearing date February 22 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 969      Petition of Michael P. Walsh relative to clarifying the rights of subscribers to non-profit medical service plans.  
-Hearing date March 23 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 970      Petition of Francis H. Woodward relative to medical malpractice insurance.  
-Hearing date March 7 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 1141      Petition of John H. Flood that provision be made for municipal legal liability insurance.  
-Hearing date March 7 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 1142      Petition of Barbara E. Gray and Robert J. Bohigian relative to amending the health insurance laws to provide for continuing coverage for spouses of deceased persons.  
-Hearing date February 17 A.M.  
-Accompanied a new draft, see S1708.

- H. 1143      Petition of Joseph N. Hermann relative to increasing the limit requiring fire insurance companies to contribute to certain costs for fire protection.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see S1702.
- H. 1144      Petition of Joseph N. Hermann for legislation to require insurance coverage for electrical contractors.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see S1702.
- H. 1145      Petition of Mary Jeanette Murray relative to procedures by insurers in the case of motor vehicles declared to be a total loss.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 1335      Petition of Joseph M. Connolly for legislation to require independent audits of nonprofit hospital service corporations and medical service corporations.  
-Hearing date February 24 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 1336      Petition of Joseph M. Connolly relative to merit rating surcharges by insurance companies.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- H. 1337      Petition of William G. Reinstein for legislation to increase the availability of credit accident and health insurance.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see 1790.
- H. 1338      Petition of William G. Reinstein for legislation to authorize the sale of joint credit life insurance.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see 1790.
- H. 1339      Petition of Richard A. Voke for legislation to require insurance companies, hospital service corporations and medical service corporations to provide certain preventive care services for children.  
-Hearing date February 17 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.

- H. 1340      Petition of Richard A. Voke relative to contracts between the Group Insurance Commission and certain health maintenance organizations.  
-Hearing date February 10 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 1519      Petition of Robert A. Havern for legislation to provide for the limitation of liability of directors of certain insurance companies.  
-Hearing date February 10 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 1520      Petition of Pamela McLaughlin relative to the rates for motor vehicle insurance charged to physically handicapped persons.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see see H5417.
- H. 1521      Petition of John H. Loring for legislation to require the Registrar of Motor Vehicles to stamp the certificate of title of certain motor vehicles determined to be a total loss.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 1522      Petition of Henri S. Rauschenbach for legislation to regulate the safe driver insurance plan.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- H. 1732      Petition of David B. Cohen and other members of the House relative to pollution liability reinsurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5950.
- H. 1733      Petition of Henry R. Grenier relative to authorizing the Committee on Insurance to make an investigation and study of automobile insurance premium charges.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 1734      Petition of Petition of Richard T. Moore relative to motor vehicle insurance payments for collision repair.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.

- H. 1735      Petition of the Mass. Building Trades Council, AFL-CIO, and Richard T. Moore for legislation to provide that certain health insurance coverage shall terminate due to the remarriage of the former spouse of a group member.  
-Hearing date February 22 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 1736      Petition of Stanley C. Rosenberg and Jonathan L. Healy that provision be made for group insurance benefits for certain part-time public employees.  
-Hearing date March 23 A.M.  
-Bill reported favorably and referred to the committee on House Counties.
- H. 1737      Petition of Gregory W. Sullivan relative to automobile liability insurance on certain commercial vehicles.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- H. 1738      Petition of Gregory W. Sullivan relative to motor vehicle liability insurance on certain commercial vehicles.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- H. 1883      Petition of Kevin P. Blanchette and Daniel E. Bosley relative to increasing life insurance benefits for public employees.  
-Hearing date June 28 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 2098      Petition of Ellen M. Canavan relative to certain policies for medical malpractice insurance.  
-Hearing date March 7 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 2099      Petition of Henry R. Grenier relative to automobile insurance premium charges.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 2100      Petition of Sherwood Guernsey relative to the periodic payment of damages in certain actions involving health care providers under the medical malpractice law.  
-Hearing date March 16 A.M.  
-Accompanied a study order, see S1702.

- H. 2101      Petition of Sherwood Guernsey relative to the qualification of witnesses as experts in certain actions involving specialists under the medical malpractice law.  
-Hearing date March 23 A.M.  
-Accompanied a study order, see S1702.
- H. 2102      Petition of Thomas P. Kennedy relative to public disclosure by health insurers.  
-Hearing date February 17 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the Joint Rules.
- H. 2103      Petition of Francis G. Mara relative to making certain changes in the medical malpractice reform law.  
-Hearing date March 14 A.M.  
-Accompanied a study order, see H5978.
- H. 2104      Petition of Michael P. Walsh and Francis G. Mara relative to increasing access to medical care for subscribers of medical service corporations.  
-Hearing date March 23 A.M.  
-Order requesting the extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 2105      Petition of Francis H. Woodward relative to increasing the tort threshold, tort benefit levels and minimum limits of liability under the motor vehicle insurance law.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 2106      Petition of Francis H. Woodward and Linda J. Melconian relative to comprehensive insurance coverage for non-owned motor vehicles.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5891.
- H. 2107      Petition of Francis H. Woodward for legislation to further regulate the Massachusetts Insurers Insolvency Fund.  
-Hearing date March 7 A.M.  
-Accompanied a new draft, see S1716.
- H. 2108      Petition of Francis H. Woodward for legislation to make certain changes in the insurers liquidation law.  
-Hearing date March 9 A.M.  
-Order extending reporting time filed relative to this matter.

- H. 2706      Petition of Paul E. Caron relative to the distribution of all reserves upon the dissolution of the joint underwriting association.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5950.
- H. 2707      Petition of Paul E. Caron for legislation to require persons convicted of drunk driving to purchase bodily injury insurance to aid victims of drunk driving.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- H. 2708      Petition of Stephen W. Doran for legislation to provide group health insurance coverage to individuals.  
-Hearing date February 22 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 2709      Petition filed at the request of Richard M. Gaberman relative to interest on proceeds from insurance companies payable upon the death of the insured.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see H5893.
- H. 2710      Petition of Robert L. Howarth relative to health insurance provided to students at state colleges.  
-Hearing date February 22 A.M.  
-Bill reported favorably by committee and referred to the committee on House Ways and Means.
- H. 2711      Petition of Fred Trusten, Eleanor Myerson and other members of the General Court relative to continuing health benefits for state employees on parental leave.  
-Hearing date February 22 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 2895      Petition of David B. Cohen that mental health providers be included in health maintenance organizations.  
-Hearing date February 17 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 2896      Petition of David B. Cohen and Thomas G. Palumbo relative to mental illness health insurance benefits.  
-Hearing date February 24 A.M.  
-Accompanied a study resolve, see H5396.

- H. 2897      Petition of David B. Cohen relative to insurance offered by telephone companies.  
-Hearing date March 16 A.M.  
-Bill reported favorably by committee and placed in the Orders of the Day for the next session.
- H. 2898      Petition of David B. Cohen relative to liability insurance in the Commonwealth.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5903.
- H. 2899      Petition of Frank A. Emilio relative to the approval of certain policies for accident and health insurance.  
-Hearing date February 22 A.M.  
-Order extending reporting time filed relative to this matter.
- H. 2900      Petition of Christopher J. Hodgkins and other members of the House that provision be made for reimbursement by insurance companies and others for services performed by licensed acupuncturists.  
-Hearing date February 22 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 2901      Petition of Robert L. Howarth for legislation to include chiropractic services in health maintenance organization coverage.  
-Hearing date February 22 A.M.  
-Accompanied a study order, see H5978.
- H. 3123      Petition of Kevin W. Fitzgerald relative to providing health maintenance organization coverage for uninsured residents of the Commonwealth.  
-Hearing date February 24 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 3124      Petition of Kevin W. Fitzgerald and Kevin G. Honan for legislation to prohibit discrimination relative to insurance contracts.  
-Hearing date March 16 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.

- H. 3125      Petition of Kevin W. Fitzgerald and Kevin G. Honan relative to certain mental health and alcoholism treatment benefits to be covered by health insurance coverage and other medical contracts.  
-Hearing date February 24 A.M.  
-Accompanied a study resolve, see H5396.
- H. 3126      Petition of Peter Forman relative to regulating credit life insurance and credit accident and health insurance.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see S1790.
- H. 3127      Petition of Sherwood Guernsey for legislation to require certain health care policies to cover payment for costs arising from speech and language disorders.  
-Hearing date March 28 A.M.  
-Accompanied a new draft, see S1656.
- H. 3128      Petition of Chester A. Suhoski and another relative to the rights of consumers in the selection of eye care providers.  
-Hearing date February 22 A.M.  
-Accompanied a study order, see H5978.
- H. 3256      Petition of Thomas M. Finneran that provision be made for dental insurance coverage for certain public employees.  
-Hearing date June 28 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 3257      Petition of Michael P. Walsh that purchasers and others entering into arrangements with clinical laboratories be deemed to be engaged in the business of insurance.  
-Hearing date March 23 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 3258      Petition of Michael P. Walsh, Steven D. Pierce, Shannon P. O'Brien and Walter A. DeFilippi relative to the classification of risks in automobile insurance.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 3259      Petition of Michael P. Walsh relative to increasing access to medical care for medical for medical service corporations.  
-Hearing date March 23 A.M.  
-Order requesting an extension of time for the committee on Joint Rule.

- H. 3260      Petition of Michael P. Walsh, Shannon P. O'Brien and Walter A. DeFilippi for legislation to require persons or organizations filing legislative proposals relative to mandating health coverage by insurance carriers to submit a report to the legislative committee having jurisdiction on the social and financial impact of such coverage.  
-Hearing date March 14 A.M.  
-Accompanied a study order, see H5978.
- H. 3261      Petition of Michael P. Walsh and Jonathan L. Healy that the Commissioner of Insurance be authorized to establish a schedule of motor vehicle insurance discounts for low mileage drivers.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- H. 3262      Petition of Michael P. Walsh relative to increasing the membership of the liquor liability joint underwriting authority.  
-Hearing date March 7 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 3263      Petition of Michael P. Walsh relative to further regulating certain health care plan restrictions.  
-Hearing date March 14 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 3264      Petition of Michael P. Walsh relative to clarifying the rights of subscribers to non-profit medical service plans.  
-Hearing date March 14 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 3466      Petition of Paul E. Caron for legislation to continue group health insurance coverage for certain employees whose employment has terminated.  
-Hearing date February 22 A.M.  
-Order extending reporting time filed relative to this matter.

- H. 3467      Petition of Mary Jane Gibson, other members of the General Court and another for legislation to prohibit discrimination in disability insurance policies and the determination of premiums and benefits payable with respect to disability insurance policies.  
-Hearing date March 16 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 3468      Petition of Mary Jane Gibson and another for legislation to establish a system of compensation for injuries related to medical treatment.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 3469      Petition of James M. Shannon and Mary Jane Gibson that provision be made for the funding for the Attorney General's representation of consumers in insurance rate matters.  
-Hearing date March 16 A.M.  
-order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 3470      Petition of Stephen J. Karol for legislation to require insurance companies to grant a ten percent discount to motor vehicle operators who wear seat belts.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- H. 3654      Petition of Kevin P. Blanchette and other members of the General Court for legislation relative to health and welfare plans for certain public employees.  
-Hearing date April 11 A.M.  
-Accompanied a new draft, see H5644.
- H. 3655      Petition of Sherwood Guernsey relative to regulating medical malpractice insurance.  
-Hearing date March 14 A.M.  
-Accompanied a study order, see H5978.
- H. 3656      Petition of Sherwood Guernsey relative to the payment of interest on certain medical malpractice judgements.  
-Hearing date March 23 A.M.  
-Accompanied a study order, see H5978.

- H. 3657      Petition of Sherwood Guernsey relative to judgements against providers of health care for certain medical malpractice errors.  
-Hearing date March 23 A.M.  
-Accompanied a study order, see H5978.
- H. 3658      Petition of Sherwood Guernsey for legislation to further regulate certain medical malpractice insurance policies.  
-Hearing date March 23 A.M.  
-Accompanied a study order, see H5978.
- H. 3659      Petition of Sherwood Guernsey and other members of the General Court for legislation to reform the motor vehicle insurance system of the Commonwealth.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 3660      Petition of Barbara Hildt and Nicholas J. Costello for legislation to regulate surcharges on motor vehicle insurance.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- H. 3661      Petition of Robert F. Jakubowicz relative to providing for a joint underwriting association to provide personal, business and professional liability insurance other than medical malpractice, liquor liability and motor vehicle liability insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 3662      Petition of Robert F. Jakubowicz that insurance companies be required to offer an installment payment plan for certain liability insurance policies.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 3663      Petition of Robert F. Jakubowicz for legislation to establish standards for the Commissioner of Insurance to fix premium rates for medical malpractice insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 3664      Petition of Henri S. Rauschenbach, Robert Correira, John W. Olver, Thomas S. Cahir and Kenneth M. Lemanski for legislation further clarifying health maintenance organization coverage for public employees.  
-Hearing date March 23 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.

- H. 3665      Petition of William B. Vernon relative to increasing the minimum amount of motor vehicle liability insurance required for taxicabs.  
-Hearing date March 2 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 3666      Petition of Francis H. Woodward and other members of the House for an investigation by a special commission (including members of the General Court) relative to motor vehicle insurance.  
-Hearing date February 10 A.M.  
-Accompanied a new draft, see H5081.
- H. 3818      Petition of Marie-Louise Kehoe for legislation to increase the amount of money fire insurance companies are required to contribute to certain costs for fire protection.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see S1702.
- H. 3819      Petition of Emanuel G. Serra for legislation to provide that automobile insurance premiums be based on individual driving records.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- H. 3820      Petition of Emanuel G. Serra relative to insurable interest in certain vehicles.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- H. 3821      Petition of Emanuel G. Serra relative to prohibiting discrimination concerning newly issued insurance contracts.  
-Hearing date March 16 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 3822      Petition of Emanuel G. Serra for legislation to reform the automobile insurance laws of the Commonwealth.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 3823      Petition of Emanuel G. Serra relative to automobile insurance fraud.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.

- H. 3824      Petition of Barry G. Trahan that health insurance providers be required to reimburse patients for the use of prescription drugs.  
-Hearing date March 14 A.M.  
-Accompanied a study order, see H5978.
- H. 3825      Petition of Michael P. Walsh and another for legislation to authorize payroll deductions for life insurance premiums under employer-sponsored programs.  
-Hearing date March 9 A.M.  
-Bill reported favorably by committee and referred to the Committee on House Counties.
- H. 3826      Petition of Michael P. Walsh relative to liquor legal liability insurance.  
-Hearing date March 7 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 4023      Petition of Theodore J. Aleixo, Jr., for legislation to establish incentives to automobile insurance policyholders who use seatbelts.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.
- H. 4024      Petition of Theodore J. Aleixo, Jr., relative to reforming the motor vehicle insurance laws of the Commonwealth.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 4025      Petition filed at the request of Melvin Silberstein for legislation to prohibit the use of geographical location in setting motor vehicle insurance rates.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- H. 4026      Petition filed at the request of Melvin Silberstein for legislation to require compulsory motor vehicle liability insurance for each licensed operator instead of each motor vehicle for the purpose of establishing just and reasonable insurance rates.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5417.

- H. 4027      Petition of Lawrence R. Alexander, Christopher J. Hodgkins and Marie J. Parente for legislation to require that persons convicted of drunk driving be required to maintain higher bodily injury insurance coverage before such persons are reinstated with licenses to operate motor vehicles.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- H. 4028      Petition of James T. Brett for legislation to provide for human services provider liability insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 4029      Petition of Mary Jane Gibson, other members of the General Court and another for legislation to prohibit discrimination relative to insurance contracts.  
-Hearing date March 16 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 4030      Petition of Mary Jane Gibson, other members of the General Court and another for legislation to prohibit discrimination in certain insurance policies.  
-Hearing date March 16 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 4225      Petition of Charles N. Decas relative to the insurance required for plumbing work performed by municipal employees.  
-Hearing date March 23 A.M.  
-Accompanied a new draft, see H5667.
- H. 4226      Petition of Generosa Zizza and Salvatore F. DiMasi for an investigation by a special commission (including members of the General Court) relative to the rates charged by medical and health care insurance providers.  
-Hearing date March 16 A.M.  
-Accompanied a new study order, see H5978.
- H. 4227      Petition of Salvatore F. DiMasi relative to group credit accident and health and group credit life insurance policies.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see S1790.

- H. 4228      Petition of Salvatore F. DiMasi for legislation to authorize the sale of credit involuntary unemployment insurance.  
-Hearing date March 9 A.M.  
-Accompanied a new draft, see S1790.
- H. 4229      Petition of Salvatore F. DiMasi for legislation to require that filings of homeowner's insurance rates be uniform throughout the Commonwealth.  
-Hearing date March 7 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 4230      Petition of Salvatore F. DiMasi that provision be made for lower insurance rates for non-smokers.  
-Hearing date March 23 A.M.  
-Accompanied a new draft, see S1715.
- H. 4231      Petition of Salvatore F. DiMasi relative to prohibiting discrimination concerning newly issued insurance contracts.  
-Hearing date March 16 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 4232      Petition of Paul Kollios and Albert Herren that provision be made for dental insurance coverage for state employees.  
-Hearing date June 28 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 4457      Petition of John A. Businger and Richard R. Tisei relative to providing for an optional disability insurance plan for all employees of the Commonwealth.  
-Hearing date March 16 A.M.  
-Accompanied a study order, see H5978.
- H. 4458      Petition of David B. Cohen relative to the insurance coverage of early intervention services provided by certain licensed professionals.  
-Hearing date March 23 A.M.  
-Accompanied S649.

- H. 4459      Petition filed at the request of Generosa Zizza for legislation to establish a consumer assistance service board to assist purchasers of insurance in the understanding of rights under coverage plans.  
-Hearing date March 14 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 4460      Petition of William G. Reinstein relative to regulating the setting of rates for motor vehicle insurance.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.
- H. 4461      Petition of Charles E. Silvia for an investigation and study by a special commission (including members of the General Court) relative to the high cost of motor vehicle insurance within the Commonwealth.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.
- H. 4642      Petition of Francis F. Alexander that the Commissioner of Insurance be directed to study the several school accident insurance policies offered for sale within the Commonwealth.  
-Hearing date March 7 A.M.  
-Accompanied a new draft, see H5684.
- H. 4643      Petition of Frances F. Alexander relative to collision damage insurance on rental cars.  
-Hearing date March 2 A.M.  
-Accompanied a new draft, see H5891.
- H. 4644      Petition of Frances F. Alexander relative to health insurance benefits for employees affected by plant closings.  
-Hearing date March 16 A.M.  
-Ought not to pass and placed in the Order of the Day for the next session.
- H. 4645      Petition filed at the request of Daniel J. Sullivan relative to lead paint removal legal liability insurance.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 4646      Petition of Robert A. Durand relative to insurance coverage on motor vehicles.  
-Hearing date March 2 A.M.  
-Accompanied a study order, see S1702.

- H. 4647      Petition of Marie-Louise Kehoe relative to additional insurance of persons in the service of counties, cities, towns and districts.  
-Hearing date March 16 A.M.  
-Bill reported favorably by committee and referred to the committee on House Counties.
- H. 4648      Petition of Peter A. Vellucci for legislation to strengthen disclosure provisions of the law regulating insurance contracts against losses by fire.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 4649      Petition of Peter A. Vellucci for legislation to modify the application for mortgage loans to make information available to banks relative to potential arson customers.  
-Hearing date March 7 A.M.  
-Accompanied a study order, see H5978.
- H. 4843      Petition of Theodore J. Aleixo, Jr., and another for legislation to require equal payment for employee health benefit plans.  
-Hearing date March 23 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 4844      Petition of John C. Bartley and another for legislation to provide equal access to health benefit plans.  
-Hearing date March 23 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 4845      Petition of William Constantino, Jr., for legislation to clarify the definition of "infertility" under certain insurance laws of the Commonwealth.  
-Hearing date March 14 A.M.  
-Accompanied a study order, see H5950.
- H. 4846      Petition of Richard J. Morgado for legislation to exempt certain employers from providing insurance coverage for maternity benefits.  
-Hearing date March 16 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.

- H. 4847      Petition of Barbara Hildt for legislation to further regulate motor vehicle liability insurance.  
-Hearing date March 14 A.M.  
-Accompanied a new draft, see H5417.
- H. 4848      Petition of Charles W. Mann that insurers offering motor vehicle liability insurance be required to notify insureds of all claims against them.  
-Hearing date March 14 A.M.  
-Accompanied a new draft, see H5417.
- H. 4849      Petition of Michael P. Walsh and Robert L. Howarth relative to adjusting the method of paying the premiums for medical malpractice insurance.  
-Hearing date March 14 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 4883      Petition of Steven D. Pierce and other members of the General Court relative to establishing a statewide toll free tip line for reporting information on stolen cars and suspected auto theft activities.  
-Hearing date March 23 A.M.  
-Accompanied a new draft, see H5417.
- H. 5014      Petition of Ellen M. Canavan relative to the inclusion of a certain statement on all bills for motor vehicle liability insurance.  
-Hearing date March 14 A.M.  
-Accompanied a new draft, see H5417.
- H. 5015      Petition of Ellen M. Canavan that provision be made for insurance coverage for certain surgical procedures.  
-Hearing date March 14 A.M.  
-Order requesting an extension of time for the committee to make its report on this matter referred to the committee on Joint Rules.
- H. 5016      Petition of Mary Jeanette Murray relative to the cancellation and non-renewal of certain insurance policies.  
-Hearing date March 14 A.M.  
-Order extending reporting time filed relative to this matter.
- H. 5074      A message from His Excellency the Governor recommending legislation relative to automobile insurance.  
-Hearing date February 29 A.M.  
-Accompanied a new draft, see H5417.

- H. 5130      Petition of Kevin P. Blanchette that provision be made for dental and vision insurance benefits for certain public employees.  
-Hearing date March March 23 A.M.  
-Ought not to pass and placed in the Orders of the Day for next session.
- H. 5131      Petition of David B. Cohen for legislation to provide insurance coverage for cranofacial anomalies.  
-Hearing date March 16 A.M.  
-Bill reported favorably by committee as changed and placed in the Orders of the Day for the next session.
- H. 5132      Petition of Michael F. Flaherty relative to benefits for certain mental health patients under the mental health program.  
-Hearing date March 14 A.M.  
-Bill reported favorably by committee and placed in the Orders of the Day for the next session.
- H. 5133      Petition filed at the request of Riaz Hussian for legislation to further regulate repairs to fire damaged premises under certain fire insurance laws.  
-Hearing date March 16 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 5134      Petition of Gregory W. Sullivan for legislation to repeal the law requiring insurance coverage for plumbing and gas fitting contractors.  
-Hearing date March 23 A.M.  
-Accompanied a new draft, see H5667.
- H. 5135      Petition of Newman Flanagan an W. Paul White relative to the insuring of property held by district attorneys pursuant to their duties as district attorney.  
-Hearing date March 16 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 5211      Petition of Michael W. Orrissey relative to mutual fire insurance companies which maintain a surplus to policyholders.  
-Hearing date March 23 A.M.  
-Accompanied a new draft, see H5934.
- H. 5234      Petition of the Professional Fire Fighters of Massachusetts and Michael F. Flaherty for legislation to increase the powers of the Insurance Advisory Committee.  
-Hearing date October 5 A.M.  
-Accompanied a study order, see H6304.

- H. 5256      Petition of Michael F. Flaherty relative to the Board of Appeal on Motor Vehicle Liability Policies and Bonds.  
-Hearing date March 23 A.M.  
-Substituted by H5689.
- H. 5290      Petition of Robert L. Howarth and other members of the House relative to motor vehicle insurance.  
-Accompanied a new draft, see H5417.
- H. 5304      Petition of Sherwood Guernsey for legislation to further regulate liability insurance.  
-Hearing date May 18 P.M.  
-Sections 15 to 25, inclusive and section 27 and 28 (from the committee on the Judiciary) accompanied a study order, see H6010.
- H. 5312      Petition of Lawrence R. Alexander and Charles E. Silva for legislation to further protect elderly persons' supplemental Medicare insurance policies.  
-Hearing date April 25 A.M.  
-Accompanied a new draft, see H5894.
- H. 5423      Petition of Michael F. Flaherty for legislation to authorize the Metropolitan District Relief Association, Incorporated, to increase the amount of its death or funeral benefits.  
-Bill reported favorably by committee and placed in the Orders of the Day for the next session.
- H. 5492      Petition of Thomas W. McGee for legislation to extend the present health insurance contract for state employees.  
-Hearing date May 11 A.M.  
-Ought not to pass and placed in the Orders of the Day for the next session.
- H. 5493      Petition of Francis H. Woodward relative to the enforcement of motor vehicle insurance laws.  
-Bill reported favorably by committee and placed in the Orders of the Day for the next session.  
-Signed by the Governor, Chapter 282 Acts.
- H. 6050      Petition of Kevin P. Blanchette relative to the amount of retirement benefits which may be paid by the Lawrence Police Relief Association, Incorporated.  
-Bill reported favorably by committee and placed in the Orders of the Day for the next session.

- H. 6152 Petition of Stephen J. Karol and John F. Parker relative to the amount of certain retirement and death benefits which may be paid by the Attleboro Firefighters' Benefit Association, Incorporated.  
-Bill reported favorably by committee.  
-Signed by the Governor, Chapter 275 Acts.
- H. 6261 Petition of Francis H. Woodward, Linda J. Melconian, John P. Houston, Joseph K. Mackey, Robert L. Howarth and Robert C. Buell relative to causes of action arising out of accidents under the motor vehicle insurance laws of the Commonwealth.  
-Bill reported favorably by committee.

#### REDRAFTED LEGISLATION

- S. 1509 Bill to clarify the medical malpractice reform legislation of 1986.  
-Bill reported favorably by committee and referred to the committee on Senate Ways and Means.
- S. 1510 Bill relative to Medex insurance.  
-Signed by the Governor, Chapter 21 Acts.
- S. 1656 Bill to provide that certain health care plans and policies shall cover payments for costs arising from speech and language disorders.  
-Bill reported favorably by committee and referred to the committee on Senate Ways and Means.
- S. 1708 Bill relative to health insurance for surviving spouse and children.  
-Bill reported favorably by committee and referred to the committee on Senate Ways and Means.
- S. 1715 Bill to reduce life and health insurance rates for non-smokers.  
-Ordered to a third reading.
- S. 1716 Bill relative to the Insurers Insolvency Fund.  
-Enacted and laid before the Governor.  
-Chapter 302.
- S. 1789 Bill requiring air ambulance services be included in individual and group hospital service contracts and plans.  
-Committee recommended ought to pass and referred to

- S. 1790 Bill relative to the credit life insurance and credit accident and health insurance act of 1988.  
-Bill reported favorably by committee and referred to the committee on Senate Steering and Policy.  
-Enacted and laid before the Governor.
- S. 1795 Bill relative to the merger of nonprofit hospital service corporations and medical service corporations.  
-Signed by the Governor, Chapter 160 Acts.
- H. 5081 Resolve relative to automobile insurance.  
-Discharged to the committee on House Rules.
- H. 5667 Bill clarifying requirements for permitting plumbing work performed by municipal employees.  
-Read; and referred to the committee on Senate Ways and Means.
- H. 5683 Bill relative to mental illness benefits.  
-Substituted by H5959.
- H. 5684 Bill providing for an investigation and study of school accident insurance policies.  
-Bill reported favorably by committee and referred to the committee on House Ways and Means.
- H. 5689 Bill relative to the Board of Appeal on Motor Vehicle Liability Policies and Bonds.  
-Signed by the Governor, Chapter 227 Acts.
- H. 5891 Bill relative to comprehensive coverage for non-owned motor vehicles.  
-Read second and ordered to a third reading.
- H. 5892 Bill relative to certain proprietary information of insurance agents and brokers.  
-Signed by the Governor, Chapter 229 Acts.
- H. 5893 bill relative to interest on proceeds payable upon the death of the insured.  
-Read second and ordered to a third reading.
- H. 5894 Bill to further protect elderly citizens in meeting their health care needs.  
-Read; and referred to the committee on Senate Steering and Policy.
- H. 5926 Bill relating to the regulation of risk retention groups and purchasing groups.  
-Bill reported favorably by committee and referred to the committee on House Ways and Means.

- H. 5934 Bill creating the Arbella Mutual Insurance Company.  
-Signed by the Governor, Chapter 189 Acts.
- H. 5959 Bill relative to mental illness benefits.  
-New draft substituted, see H6095.
- H. 6095 Bill relative to mental illness benefits.  
-Committee reported that the matter be placed in the  
Orders of the Day for the next session with the recom-  
mended Ways and Means amendment pending.









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